

**STATE OF KANSAS ADJUSTED GENERAL FUND TAX
RECEIPTS, RATES OF CHANGE, ELASTICITIES,
COMPOSITION, AND EFFECTIVE TAX RATES:**

FISCAL YEARS 1992 THROUGH 2009

Prepared for



By

John D. Wong, J.D., Ph.D.
Consulting Economist

August 2009

Table of Contents

Table of Contents.....	ii
List of Tables, Graphs, and Charts.....	iii
I. Introduction	1
II. Adjusted General Fund Tax Receipts.....	1
A. Individual Income Taxes.....	2
B. Corporation Income Taxes	3
C. Financial Institutions Privilege Taxes	4
D. Estate Taxes.....	4
E. Retail Sales Taxes	5
F. Compensating Use Taxes	5
G. Corporate Franchise Taxes	5
H. Severance.....	6
I. Miscellaneous Taxes	6
III. Rates Of Change.....	6
A. Total Taxes	7
B. Individual Income Taxes.....	7
C. Corporation Income Taxes.....	7
D. Retail Sales Taxes	7
E. Compensating Use Taxes	7
IV. Elasticities.....	8
A. Total Taxes	8
B. Individual Income Taxes.....	9
C. Corporation Income Taxes.....	9
D. Retail Sales Taxes	9
E. Compensating Use Taxes	9
V. Composition.....	9
A. Individual Income Taxes.....	10
B. Corporation Income Taxes	10
C. Retail Sales Taxes	10
D. Compensating Use Taxes.....	10
E. Other Excise Taxes.....	10
VI. Effective Tax Rates.....	11
Appendices	12

List of Tables, Graphs, and Charts

Table 1a: Adjusted General Fund Tax Receipts (\$Thousands, FY 1992 - FY 2000)	13
Table 1b: Adjusted General Fund Tax Receipts (\$Thousands, FY 2001 - FY 2009)	14
Table 2: Average Annual Rates of Change for Adjusted General Fund Tax Receipts ..	15
Table 3: Elasticities for Adjusted General Fund Tax Receipts.....	16
Table 4a: Composition of Adjusted General Fund Tax Receipts (\$Thousands, FY 1992 - FY 2000).....	17
Table 4b: Composition of Adjusted General Fund Tax Receipts (\$Thousands, FY 2001 - FY 2009).....	18
Chart 1: Adjusted Motor Carrier Taxes.....	19
Chart 2: Adjusted Individual Income Taxes.....	19
Chart 3: Adjusted Corporation Income Taxes	20
Chart 4: Adjusted Financial Institutions Privilege Taxes.....	20
Chart 6: Adjusted Estate Taxes.....	21
Chart 7: Adjusted Retail Sales Taxes.....	21
Chart 8: Adjusted Compensating Use Taxes	22
Chart 9: Adjusted Cigarette Taxes	22
Chart 10: Adjusted Tobacco Product Taxes.....	23
Chart 11: Adjusted Cereal Malt Beverage Taxes	23
Chart 12: Adjusted Liquor Gallonage Taxes.....	24
Chart 13: Adjusted Liquor Enforcement Taxes.....	24
Chart 14: Adjusted Private Club Taxes	25
Chart 15: Adjusted Corporate Franchise Taxes	25
Chart 16: Adjusted Severance Taxes.....	26
Chart 17: Adjusted Insurance Premium Taxes.....	26
Chart 18: Adjusted Miscellaneous Taxes	27
Chart 19: Adjusted Total Taxes.....	27
Chart 20: Kansas Personal Income.....	28
Chart 21: Composition Of Adjusted General Fund Tax Receipts	28
Chart 22: Effective Adjusted Total Tax Rate	29
Chart 23: Effective Adjusted Individual Income Tax Rate.....	29
Chart 24: Effective Adjusted Corporation Income Tax Rate.....	30
Chart 25: Effective Adjusted Retail Sales Tax Rate	30
Chart 26: Effective Adjusted Compensating Use Tax Rate	31
Chart 27: Effective Adjusted Cigarette Tax Rate.....	31

Introduction

This report presents (1) State of Kansas General Fund Tax Receipts for Fiscal Years 1992 through 2009 adjusted for changes in statutes, regulations, and administrative procedures; (2) rates of change for Adjusted General Fund Tax Receipts for Fiscal Years 1992 through 2009, Fiscal Years 1998 through 2009, Fiscal Years 2003 through 2009, and Fiscal Years 2005 through 2009; (3) elasticities for Adjusted General Fund Tax Receipts for Fiscal Years 1992 through 2009, Fiscal Years 1998 through 2009, Fiscal Years 2003 through 2009; and Fiscal Years 2005 through 2009; (4) the composition of Adjusted General Fund Tax Receipts for Fiscal Years 1992 through 2009; (5) graphs of Adjusted General Fund Tax Receipts for Fiscal Years 1992 through 2009; and (6) graphs of Adjusted Effective Tax Rates for major revenue sources for Fiscal Years 1992 through 2009.

Adjusted General Fund Tax Receipts

Because of periodic changes in statutes, regulations, and administrative procedures, direct comparisons of Actual General Fund Tax Receipts over time may be misleading. In order to facilitate valid comparisons over time Actual General Fund Tax Receipts must be adjusted such that all past years reflect present statutes, regulations, and administrative procedures. The following discusses adjustments made to Actual General Fund Tax Receipts to estimate the revenue that would have been generated in past years if Fiscal Year 2010 statutes, regulations, and administrative procedures were in effect for the entire period Fiscal Years 1992 through 2009. Adjusted General Fund Tax Receipts are presented in Tables 1A and 1B. Graphs of Adjusted General Fund Tax Receipts are presented in Charts 1 through 20. Graphs of Effective Tax Rates for Total Taxes, Individual Income Taxes, Corporation Income Taxes, Retail Sales Taxes, and Compensating Use Taxes are presented in Charts 22 through 26.

The most important adjustments are for changes in (1) the tax base, (2) the tax rate, and (3) administrative procedures. For FY 2010 nine components of General Fund Tax Receipts were affected by changes in statutes, regulations, and administrative procedures:

- Individual Income Taxes,
- Corporation Income Taxes,
- Financial Institutions Privilege Taxes,
- Estate Taxes,
- Retail Sales Taxes,
- Compensating Use Taxes,
- Corporate Franchise Taxes,
- Severance Taxes, and
- Miscellaneous Taxes.

Adjustments for statutory, regulatory, or administrative changes that have a one-time effect are made in the year of that effect. Adjustments for changes that will have an ongoing impact are made by determining the proportion of FY 2010 tax receipts comprised by the change and allocating this proportion back for previous years. FY 2010 was used as the baseline because this will be the first fiscal year during which

provisions of the change will be fully implemented because of timing differences in the tax year and the fiscal year.

Individual Income Taxes

Adjustments were made to Individual Income Tax Receipts to account for changes resulting from 2009 Senate Substitute for the Substitute for House Bill 2365 and for 2009 Senate Bill 160. In addition, an adjustment was made to account for the phased impact of 2007 Senate Substitute for House Bill 2031.

Senate Substitute for the Substitute for HB 2365 enacts new revenue settlement authority for the Secretary of Revenue; makes several changes in the statute of limitation provisions relating to income taxes; makes a number of adjustments relative to the amount of various income premium tax credits that may be claimed; and expands the Homestead Property Tax Refund program. One section of the bill grants the Secretary of Revenue additional authority to equitably resolve certain audit-related assessments that are pending in the administrative appeals process or the State Court of Tax Appeals, or are pending in the judicial review process before any state or federal district or appellate court. The settlement authority includes the ability to resolve amounts of tax, penalty, and interest in question. Additional provisions amend KSA 79-3220 to clarify deadlines applicable to filing income tax refund claims. An amendment to subsection (c) clarifies that a taxpayer has three years from the date the original return is due, including any extensions allowed, to file a refund claim. The amendment to subsection (f) provides that, notwithstanding any otherwise applicable statute of limitations, the Department of Revenue would have 180 days after receipt of a revenue adjustment report to assess any additional tax. The amendment to subsection (g) tolls the 180-day period when a taxpayer has failed to timely report a revenue adjustment to the Department. A tax credit for direct production expenditures by eligible film production companies is suspended for tax years 2009-2010. Numerous other tax credits generally are given a ten percent "haircut" for tax years 2009 and 2010, including credits for individual development accounts; facility or residential modification for handicapped accessibility; certain employee child day care provision expenses; provision of financial assistance to persons eligible for aid to families with dependent children; provision of small employer health benefit plans; donations to regional economic development foundations; purchase of agritourism liability insurance; donations from community service "program" contributors; angel investor qualified securities investments; certain venture capital company investments; donations for Kansas Center for Entrepreneurship; selected investments in qualified business facilities; interest rate reductions on certain agricultural production loans; certain research and development expenditures; community service donations by business firms; certain alternative motor-fueled vehicle property expenditures; certain adoption expenses; improvements to qualified swine facilities; expenses associated with plugging abandoned oil or gas wells; retirement of bonded debt authorized by a city port authority; employer provision of health insurance for National Guard members; payment of salary to teachers by business firms pursuant to partnership agreements; certain oil refinery environmental compliance expenditures; "high performance" incentive program (HPIP) qualified investments; job expansion and investment program expenditures;

certain nitrogen fertilizer plant expenditures; certain biomass-to-energy plant expenditures; certain power plant expenditures; contributions to the Kansas Law Enforcement Training Center; certain compensation paid to employees also in the National Guard; certain renewable electric cogeneration facility expenditures; certain storage and blending equipment expenditures; contributions for certain higher educational infrastructure programs; and certain business capital investments made in or around disaster-area cities. A specific statutory cap is provided for historic preservation credits equivalent to 90 percent of the amount currently claimed. Additional transitional provisions assure that certain HPIP and job expansion and investment credits that previously could have been claimed during the haircut period may effectively be carried forward to future tax years. The bill also expands the definition of eligible claimants for the Homestead Property Tax Refund Program to include certain disabled veterans and surviving spouses of active-duty military personnel who have died in the line of duty. Disabled veterans are defined to include Kansas residents who have been honorably discharged from active service in the armed forces or Kansas National Guard and who have been certified to have a 50 percent or more permanent disability sustained through military action or accident or resulting from disease contracted while in such active service. The bill further clarifies that surviving spouses of disabled veterans will continue to remain eligible until such time as they remarry. Senate Substitute for the Substitute for HB 2365 is expected to increase Individual Income Tax Receipts by \$9.785 million in FY 2010.

Senate Bill 160 increases the state's minimum wage from \$2.65 an hour to \$7.25. The wage increase takes effect on January 1, 2010. The bill exempts employees and employers covered under the federal Fair Labor Standards Act. This bill is expected increase Individual Income Tax Receipts by \$2.500 million in FY 2010.

In addition 2007 Senate Substitute for House Bill 2031 made a number of changes in the individual income tax, effective beginning in tax year 2007. The bill expanded the state earned income tax credit (EITC); provided a subtraction modification for certain Social Security benefits; clarified withholding requirements for certain partnerships; and authorized the Secretary of Revenue to waive an electronic-filing requirement for withholding tax information. The continuing impact of this bill is expected to further reduce Individual Income Tax Receipts by \$1.9 million in FY 2010.

Corporation Income Taxes

Adjustments were made to Corporation Income Tax Receipts to account for changes resulting from 2009 Senate Substitute for the Substitute for House Bill 2365 and for 2009 Senate Bill 9.

Senate Substitute for the Substitute for HB 2365 enacts new revenue settlement authority for the Secretary of Revenue; makes several changes in the statute of limitation provisions relating to income taxes; and makes a number of adjustments relative to the amount of various income tax credits that may be claimed. Senate Substitute for the Substitute for HB 2365 is expected to increase Corporation Income Tax Receipts by \$38.2 million in FY 2010.

SB 97 enacts the Promoting Employment Across Kansas (PEAK) Act. The bill authorizes a diversion of employee withholding taxes under certain circumstances to

“qualified” companies or third parties performing services on behalf of such companies. Qualified companies generally include those which have closed down an existing business entity outside the state and have relocated the entity in Kansas and have made available to full-time employees adequate health insurance for which the companies will pay at least 50 percent of the premiums. Companies meeting these requirements also will be able to qualify if they have contracted with third parties to perform services as the legal employer of newly relocated employees. Business entities within certain industry groups and sectors (including bioscience companies, gambling entities, religious organizations, retailers, and utilities) are excluded from being considered as qualified companies. Companies delinquent in payment of non-protested taxes to any governmental entity also are disqualified, as are companies which have filed for bankruptcy or announced their intention to do so. Companies participating in other statutory withholding tax diversion programs also are not eligible. Companies meeting these criteria which also locate in a metropolitan county (Douglas, Johnson, Sedgwick, Shawnee, Wyandotte) and hire at least 10 new employees within two years, or locate in a non-metropolitan county and hire at least five new employees within two years, are eligible to retain 95 percent of new employee withholding taxes for a period of five to seven years, provided such employees are compensated at a rate equal to at least 100 percent of the county average wage. Certain “high-impact” projects resulting in the hiring of at least 100 new employees within five years, regardless of location, could qualify for withholding tax diversions of 95 percent for seven to 10 years, provided such employees are compensated at a rate equal to at least 100 percent of the county average wage. Qualified companies are required to submit agreement applications for the revenue-diversion program to the Secretary of Commerce. The Secretary is required to conduct an annual review of activities undertaken by qualified companies. The Department of Revenue also is authorized to disclose certain taxpayer-specific information to the Secretary of Commerce to assist with compliance audits associated with the program. The Secretary also is required to submit an annual report to the various legislative committees on the overall impact of the program. Certain income tax credits associated with hiring new employees will no longer be available to companies participating in this program. Senate Bill 97 is expected decrease Corporation Income Tax Receipts by \$1.900 million in FY 2010.

Financial Institutions Privilege Taxes

Adjustments were made to Financial Institutions Privilege Tax Receipts to account for changes resulting from 2009 Senate Substitute for the Substitute for House Bill 2365. Senate Substitute for the Substitute for HB 2365 makes a number of adjustments relative to the amount of privilege tax credits that may be claimed. Senate Substitute for the Substitute for HB 2365 is expected to increase Financial Institutions Privilege Tax Receipts by \$1.000 million in FY 2010.

Estate Taxes

Adjustments were made to Estate Tax Receipts to account for changes resulting from 2009 Senate Substitute for the Substitute for House Bill 2365. Senate Substitute for the Substitute for HB 2365 clarifies that agricultural land is to be use-valued for

Kansas estate tax purposes, regardless of whether such land was held directly by decedents or was held in non-publicly traded legal entities, including certain partnerships, corporations, limited liability companies, or limited liability partnerships. The clarification of the use-valuation provisions also is made retroactive relative to estates of decedents dying after December 31, 2006. Senate Substitute for the Substitute for HB 2365 is expected to increase Estate Tax Receipts by \$0.500 million in FY 2010.

Retail Sales Taxes

Adjustments were made to Retail Sales Tax Receipts to account for changes resulting from 2009 Senate Substitute for the Substitute for House Bill 2365. Senate Substitute for the Substitute for HB 2365 enacts new revenue settlement authority for the Secretary of Revenue; makes several changes in the statute of limitation provisions relating to sales taxes; clarifies the sales tax treatment of purchases by or on behalf of a certain not-for-profit group; and enacts several new sales tax exemptions. The statute of limitations for sales tax refund claims is reduced from three years to one year, effective for all claims filed after June 15, 2009. The bill also clarifies the sales-tax-exempt status of purchases made by or on behalf of Goodwill Industries Easter Seals of Kansas, Inc. and Goodwill Industries of Kansas, Inc. for the purpose of providing education, training, and employment opportunities for people with disabilities and other barriers to employment. Another exemption is provided for purchases by or on behalf of Sheltered Living, Inc. The bill further provides exemptions for purchases and sales made by or on behalf of the Kansas Fairgrounds Foundation for purposes of beautifying the state fairgrounds. Finally, the bill provides an exemption for purchases made by or on behalf of All American Beef Battalion, Inc., for the purpose of educating, promoting, and participating as a contact group through the beef cattle industry in order to carry out such projects that provide support and morale to members of the United States armed forces and military services. Senate Substitute for the Substitute for HB 2365 is expected to increase Retail Sales Tax Receipts by \$4.428 million in FY 2010.

Compensating Use Taxes

Adjustments were made to Compensating Use Tax Receipts to account for changes resulting from 2009 Senate Substitute for the Substitute for House Bill 2365. Senate Substitute for the Substitute for HB 2365 makes several changes in the statute of limitation provisions relating to use taxes. The statute of limitations for use tax refund claims is reduced from three years to one year, effective for all claims filed after June 15, 2009. Senate Substitute for the Substitute for HB 2365 is expected to increase Compensating Use Tax Receipts by \$11.200 million in FY 2010.

Corporate Franchise Taxes

2007 Senate Substitute for House Bill 2264, as amended by House Substitute for Substitute for Senate Bill 215, phased out the corporation franchise tax over five years. Beginning in tax year 2007, the exemption threshold was increased from \$100,000 of net worth to \$1.0 million of net worth. The rate subsequently was reduced from the current \$1.25 per \$1,000 of shareholder equity or net worth to \$0.9375 in tax year 2008;

\$0.625 in tax year 2009; and \$0.3125 in tax year 2010. The tax will be repealed altogether effective in tax year 2011. The expected reduction in Corporate Franchise Tax Receipts resulting from 2007 Senate Substitute for HB 2264, as amended by House Substitute for Substitute for SB 215 is an additional \$10.0 million in FY 2010, \$10.5 million in FY 2011, and \$11.0 million in FY 2012.

Severance Taxes

Adjustments were made to Severance Tax Receipts to account for changes resulting from 2009 Senate Substitute for the Substitute for House Bill 2365. Senate Substitute for the Substitute for HB 2365 enacts new revenue settlement authority for the Secretary of Revenue. Senate Substitute for the Substitute for HB 2365 is expected to increase Severance Tax Receipts by \$1.000 million in FY 2010.

Miscellaneous Taxes

2001 House Bill 2283, the Omnibus Appropriations and Reconciliation Bill, contained provisions to enhance Miscellaneous Tax “accounts receivable” revenue attributable to additional collections by \$3.25 million beginning in FY 2002. As of FY 2009 Miscellaneous Tax accounts receivable revenue had reverted to previous levels.

Rates of Change

The average annual rates of change for Adjusted General Fund Tax Receipts were calculated for four time periods: Fiscal Years 1992 through 2009, Fiscal Years 1998 through 2009, Fiscal Years 2003 through 2009, and Fiscal Years 2005 through 2009. Two methods were used to compute annual rates of change. The two-point method is computed by determining the total percentage change over the entire time period divided by the number of years.

$$\text{Rate of Change} = \left[\frac{\text{Receipts in Last Year} - \text{Receipts in First Year}}{\text{Receipts in First Year}} \right] \div \text{Number of Years}$$

One problem with the two-point method is that the rate of change is totally dependent on the values of the end-point years. Therefore if unusual circumstances exist in one or both of the end-point years the rate of change will be misleading.

However, with the trend method all values in the time period under consideration are used. The point method is computed using a log-linear regression of the natural logarithm of receipts as the dependent variable and time as the independent variable.

$$\ln(\text{Receipts}) = a + b(\text{Time}) + e$$

Alpha (α) is the intercept term, beta (β) is the slope term, and epsilon (ϵ) is the random error term. In a log-linear regression the coefficient of the slope variable is an estimate of the average annual rate of change.

Average annual rates of change for Adjusted General Fund Tax Receipts are presented in Table 2. It should be noted that the average annual rates of change may be somewhat misleading because of the impact of the unprecedented declines in several state general fund revenue sources during Fiscal Years 2002 and 2009.

Total Taxes

According to trend estimates Adjusted Total General Fund Tax Receipts grew at an average annual rate of 4.5 percent from Fiscal Year 1992 through Fiscal Year 2009. Adjusted Total General Fund Tax Receipts increased at an average annual rate of 3.6 percent from Fiscal Year 1998 through Fiscal Year 2009. Adjusted Total General Fund Tax Receipts rose at an average annual rate of 5.3 percent from Fiscal Year 2003 through Fiscal year 2009. Most recently, Adjusted Total General Fund Tax Receipts increased at an average annual rate of 3.8 percent from Fiscal Year 2005 through Fiscal year 2009.

Individual Income Taxes

According to trend estimates Adjusted Individual Income Tax Receipts grew at an average annual rate of 5.7 percent from Fiscal Year 1992 through Fiscal Year 2009. Adjusted Individual Income Tax Receipts increased at an average annual rate of 4.6 percent from Fiscal Year 1998 through Fiscal Year 2009. Adjusted Individual Income Tax Receipts rose at an average annual rate of 8.7 percent from Fiscal Year 2003 through Fiscal Year 2009. Most recently, Adjusted Individual Income Tax Receipts grew at an average annual rate of 7.7 percent from Fiscal Year 2005 through Fiscal Year 2009.

Corporation Income Taxes

According to trend estimates Adjusted Corporation Income Tax Receipts increased at an average annual rate of 2.2 percent from Fiscal Year 1992 through 2009. Adjusted Corporation Income Tax Receipts increased at an average annual rate of 2.0 percent from Fiscal Year 1998 through Fiscal Year 2009. Adjusted Corporation Income Tax Receipts rose at an average annual rate of 13.9 percent from Fiscal Year 2003 through Fiscal Year 2009. Most recently, Adjusted Corporation Income Tax Receipts grew at an average annual rate of 3.3 percent from Fiscal Year 2005 through Fiscal Year 2009.

Retail Sales Taxes

According to trend estimates Adjusted Retail Sales Tax Receipts rose at an average annual rate of 3.4 percent from Fiscal Year 1992 through Fiscal Year 2009. Adjusted Retail Sales Tax Receipts grew at an average annual rate of 2.2 percent from Fiscal Year 1998 through Fiscal Year 2009. Adjusted Retail Sales Tax Receipts increased at an average annual rate of 1.3 percent from Fiscal Year 2003 through Fiscal Year 2009. Most recently, Adjusted Retail Sales Tax Receipts increased at an average annual rate of only 0.4 percent from Fiscal Year 2005 through Fiscal Year 2009.

Compensating Use Taxes

According to trend estimates Adjusted Compensating Use Tax Receipts rose at an average annual rate of 4.1 percent from Fiscal Year 1992 through Fiscal Year 2009. Adjusted Compensating Use Tax Receipts grew at an average annual rate of 2.2

percent from Fiscal Year 1998 through Fiscal Year 2009. Adjusted Compensating Use Tax Receipts increased at an average annual rate of only 0.4 percent from Fiscal Year 2003 through Fiscal Year 2009. Most recently, Adjusted Compensating Use Tax Receipts decreased at an average annual rate of 1.6 percent from Fiscal Year 2005 through Fiscal Year 2009.

Elasticities

The revenue elasticities for Adjusted General Fund Tax Receipts were calculated for four time periods: Fiscal Years 1992 through 2009, Fiscal Years 1998 through 2009, Fiscal Years 2003 through 2009, and Fiscal Years 2005 through 2009. Revenue elasticity is a measure of the responsiveness of a revenue source to changes in the level of personal income. An elasticity of less than one indicates that the revenue source is not highly responsive to changes in personal income. An elasticity of more than one indicates that the revenue source is highly responsive to changes in personal income. Two methods were used to compute revenue elasticities. The arc method is computed by dividing the percentage change in receipts by the percentage change in income.

$$Elasticity = \left[\frac{\frac{Receipts\ in\ Last\ Year - Receipts\ in\ First\ Year}{Receipts\ in\ Last\ Year + Receipts\ in\ First\ Year}}{\frac{Income\ in\ Last\ Year - Income\ in\ First\ Year}{Income\ in\ Last\ Year + Income\ in\ First\ Year}} \right]$$

Again a problem with the arc method is that its value is totally dependent on the values in the end-point years. Therefore if unusual circumstances exist in one or both of the end-point years the elasticity will be misleading.

With the point method all values in the time period under consideration are used. The point method is computed using a double-log regression of the natural logarithm of receipts as the dependent variable and the natural logarithm of personal income as the independent variable.

$$\ln (Receipts) = a + b (Personal\ Income) + e$$

Alpha (α) is the intercept term, beta (β) is the slope term, and epsilon (ϵ) is the random error term. In a double-log linear regression the coefficient of the slope variable is an estimate of the elasticity.

Revenue elasticities for Adjusted General Fund Tax Receipts are presented in Table 3. It should be noted that the revenue elasticities may be somewhat misleading because of the impact of the unprecedented declines in several state general fund revenue sources during Fiscal Years 2002 and 2009.

Total Taxes

According to point estimates the revenue elasticity for Adjusted Total General Fund Tax Receipts was slightly less than 1.0 for the period Fiscal Year 1992 through Fiscal Year 2009. The revenue elasticity for Adjusted Total General Fund Tax Receipts was 0.8 for the period Fiscal Year 1998 through Fiscal Year 2009. The revenue elasticity for Adjusted Total General Fund Tax Receipts was 0.9 for the period Fiscal Year 2003 through Fiscal Year 2009. Most recently, the revenue elasticity for Adjusted

Total General Fund Tax Receipts was 0.6 for the period Fiscal Year 2005 through Fiscal Year 2009. This low value is due largely to the steep decline of Individual and Corporation Income Tax Receipts due to the financial crisis during Fiscal Year 2009.

Individual Income Taxes

According to point estimates the revenue elasticity for Adjusted Individual Income Tax Receipts was 1.2 for the period Fiscal Year 1992 through Fiscal Year 2009. The revenue elasticity for Adjusted Individual Income Tax Receipts was 1.0 for the period Fiscal Year 1998 through Fiscal Year 2009. The revenue elasticity for Adjusted Individual Income Tax Receipts was 1.6 for the period Fiscal Year 2003 through Fiscal Year 2009. Most recently, the revenue elasticity for Adjusted Individual Income Tax Receipts was 1.3 for the period Fiscal Year 2005 through Fiscal Year 2009.

Corporation Income Taxes

According to point estimates the revenue elasticity for Adjusted Corporation Income Tax Receipts was 0.4 for the period Fiscal Year 1992 through Fiscal Year 2009. The revenue elasticity for Adjusted Corporation Income Tax Receipts was 0.4 for the period Fiscal Year 1998 through Fiscal Year 2009. The revenue elasticity for Adjusted Corporation Income Tax Receipts was 2.4 for the period Fiscal Year 2003 through Fiscal Year 2009. Most recently, the revenue elasticity for Adjusted Corporation Income Tax Receipts was 0.6 for the period Fiscal Year 2005 through Fiscal Year 2009.

Retail Sales Taxes

According to point estimates the revenue elasticity for Adjusted Retail Sales Tax Receipts was 0.7 for the period Fiscal Year 1992 through Fiscal Year 2009. The revenue elasticity for Adjusted Retail Sales Tax Receipts was 0.4 for the period Fiscal Year 1998 through Fiscal Year 2009. The revenue elasticity for Adjusted Retail Sales Tax Receipts was 0.2 for the period Fiscal Year 2003 through Fiscal Year 2009. Most recently, the revenue elasticity for Adjusted Retail Sales Tax Receipts was 0.1 for the period Fiscal Year 2005 through Fiscal Year 2009.

Compensating Use Taxes

According to point estimates the revenue elasticity for Adjusted Compensating Use Tax Receipts was 0.9 for the period Fiscal Year 1992 through Fiscal Year 2009. The revenue elasticity for Adjusted Compensating Use Tax Receipts was 0.5 for the period Fiscal Year 1998 through Fiscal Year 2009. The revenue elasticity for Adjusted Compensating Use Tax Receipts was 0.2 for the period Fiscal Year 2003 through Fiscal Year 2009. Most recently, the revenue elasticity for Adjusted Compensating Use Tax Receipts was -0.3 for the period Fiscal Year 2005 through Fiscal Year 2009, indicating that use tax receipts were actually decreasing as personal income was increasing.

Composition

Throughout the time period Fiscal Years 1992 through 2009 Adjusted Individual Income Taxes, Adjusted Corporation Income Taxes, Adjusted Retail Sales Taxes, and

Adjusted Compensating Use Taxes comprised approximately 80 to 90 percent of the State's Adjusted General Fund Tax Receipts. However, the relative importance of each tax source has changed over time. Tables 4A and 4B and Chart 21 present the composition of Adjusted General Fund Tax Receipts.

Individual Income Taxes

Adjusted Individual Income Taxes comprised 39.5 percent of Adjusted General Fund Tax Receipts in Fiscal Year 1992, by Fiscal Year 2001 this percentage increased to 46.1 percent, and by Fiscal Year 2008 this percentage increased further to 49.8 percent. This reflects a dramatic increase in the reliance of general fund receipts on individual income taxes.

Corporation Income Taxes

Adjusted Corporation Income Taxes comprised 8.1 percent of Adjusted General Fund Tax Receipts in Fiscal Year 1992, by Fiscal Year 2002 the percentage fell to 3.3 percent, and by Fiscal Year 2007 the percentage rebounded significantly to 8.2 percent, before falling back to 5.1 percent in Fiscal Year 2009.

Retail Sales Taxes

Adjusted Retail Sales Taxes comprised 36.9 percent of Adjusted General Fund Tax Receipts in Fiscal Year 1992, by Fiscal Year 2001 this percentage decreased slightly to 34.1 percent, and by Fiscal Year 2008 this percentage dropped precipitously to 29.1 percent, only to rebound slightly to 31.3 percent in Fiscal Year 2009.

Compensating Use Taxes

Adjusted Compensating Use Taxes comprised 5.0 percent of Adjusted General Fund Tax Receipts in Fiscal Year 1992, in Fiscal Year 2002 the percentage increased to 6.2 percent, by Fiscal Year 2008 this percentage dropped back to 4.4 percent., and increasing slightly to 4.6 percent in Fiscal Year 2009.

Other Excise Taxes

Several Adjusted Excise Taxes also experienced significant changes over time. Adjusted Cigarette Taxes fell from 5.4 percent of Adjusted Total General Fund Tax Receipts in Fiscal Year 1992 to 1.9 percent in Fiscal Year 2008. Much of this decline can be attributed to the general decline in the incidence of cigarette smoking.

Adjusted Severance Taxes fell from 2.6 percent of Adjusted Total General Fund Tax Receipts in Fiscal Year 1992 to 1.1 percent in Fiscal Year 1999. However, Adjusted Severance Taxes surged back to 2.5 percent by FY 2008. Much of this decline can be attributed to the volatility in the oil and gas industry over much of this time period.

Although Adjusted Liquor Gallonage Taxes and Liquor Enforcement Taxes have always comprised a relatively small proportion of Adjusted Total General Fund Tax Receipts, they also experienced significant declines in their contribution to the State's Adjusted General Fund Tax Receipts over time.

Effective Tax Rates

Graphs 22 to 26 present effective tax rates for Adjusted Total Taxes, Adjusted Individual Income Taxes, Adjusted Corporation Income Taxes, Adjusted Retail Sales Taxes, Adjusted Compensating Use Taxes, and Adjusted Cigarette Taxes. Effective tax rates were computed by dividing adjusted tax receipts by Kansas personal income.

$$\text{Effective Tax Rate} = \frac{\text{Adjusted Tax Receipts}}{\text{Kansas Personal Income}}$$

For the time period Fiscal Year 1992 through Fiscal Year 2009, the effective tax rate for Adjusted Total Taxes ranged from a low of 5.0 percent in FY 2009 to a high of 6.1 percent in FY 2007. The effective tax rate for Adjusted Individual Income Taxes ranged from a low of 2.2 percent in FY 1992 to a high of 2.9 percent in FY 2008. The effective tax rate for Adjusted Corporation Income Taxes ranged from a low of 0.2 percent in FY 2002 to a high of 0.5 percent in FY 2007. The effective tax rate for Adjusted Retail Sales Taxes ranged from a low of 1.6 percent in FY 2009 to a high of 2.2 percent in FY 1998. The effective tax rate for Adjusted Compensating Use Taxes ranged from a low of 0.2 percent in FY 2009 to a high of 0.3 percent in FY 2001. The effective tax rate for Adjusted Cigarette Taxes ranged from a low of 0.1 percent in FY 2009 to a high of 0.3 percent in FY 1992.

The significant increase in the effective total tax rate seen in Graph 22 during the mid 1990s is largely attributable to the robust performance of the economy over this period. As can be seen in Graph 23 most of the changes in the effective total tax rate closely parallel changes in individual income tax collections.

Appendices

Table 1A:
Adjusted General Fund Tax Receipts (\$ Thousands, FY 1992 - FY 2000)

TAX SOURCE	1992	1993	1994	1995	1996	1997	1998	1999	2000
PROPERTY TAX									
Motor Carrier	10,307	10,177	10,738	12,116	14,478	16,209	16,535	16,300	16,666
INCOME AND PRIVILEGE TAXES									
Individual	1,019,157	1,102,610	1,148,883	1,199,539	1,338,147	1,455,051	1,667,007	1,761,808	1,856,630
Corporation	208,614	193,497	232,867	249,089	239,130	281,098	298,277	248,154	290,737
Financial Institutions	35,442	51,275	58,521	42,715	49,326	37,326	31,356	37,122	22,625
Domestic Insurance Companies									
ESTATE TAX	6,232	6,777	6,726	6,727	7,062	7,899	8,803	8,989	9,175
SALES, USE, AND EXCISE TAXES									
Retail Sales	951,896	1,024,695	1,096,896	1,153,195	1,198,862	1,244,585	1,365,901	1,413,180	1,482,812
Compensating Use	129,347	129,479	145,974	161,960	163,861	179,249	199,707	214,910	225,272
Cigarette	138,186	132,427	133,200	135,050	135,275	136,752	134,592	132,231	126,919
Tobacco Products	2,063	2,227	2,541	2,680	2,925	3,103	3,269	3,369	3,773
Cereal Malt Beverages	2,939	2,784	2,717	2,694	2,533	2,460	2,439	2,448	2,431
Liquor Gallonage	12,419	12,443	12,383	12,529	12,448	12,812	13,209	13,826	14,369
Liquor Enforcement	23,103	24,136	24,512	24,789	26,205	27,260	28,549	30,797	33,336
Private Clubs	3,971	4,331	4,500	4,624	4,804	4,870	5,178	5,458	5,664
Corporate Franchise	7,601	7,930	8,687	8,976	9,808	10,669	11,459	11,842	12,566
Severance	66,879	76,011	77,990	65,889	59,748	70,960	58,804	41,932	53,969
GROSS RECEIPTS TAXES									
Insurance Premiums	55,827	57,451	61,584	61,801	62,435	62,866	63,298	65,888	68,478
Miscellaneous	585	615	953	858	878	941	888	997	964
TOTAL	2,582,703	2,753,356	2,947,300	3,061,743	3,247,310	3,481,463	3,845,005	3,999,633	4,129,285
KANSAS PERSONAL INCOME	46,540,669	49,867,423	51,729,299	54,163,865	56,072,519	59,729,061	63,355,579	67,800,281	70,158,367
Eff. Adj. Tot. Tax Rate	5.55%	5.52%	5.70%	5.65%	5.79%	5.83%	6.07%	5.90%	5.89%
Eff. Adj. Ind. Inc. Tax Rate	2.19%	2.21%	2.22%	2.21%	2.39%	2.44%	2.63%	2.60%	2.65%
Eff. Adj. Corp. Inc. Tax Rate	0.45%	0.39%	0.45%	0.46%	0.43%	0.47%	0.47%	0.37%	0.41%
Eff. Adj. Ret. Sales Tax Rate	2.05%	2.05%	2.12%	2.13%	2.14%	2.08%	2.16%	2.08%	2.11%
Eff. Adj. Comp. Use Tax Rate	0.28%	0.26%	0.28%	0.30%	0.29%	0.30%	0.32%	0.32%	0.32%
Eff. Adj. Cigarette Tax Rate	0.30%	0.27%	0.26%	0.25%	0.24%	0.23%	0.21%	0.20%	0.18%

Table 1B:
Adjusted General Fund Tax Receipts (\$ Thousands, FY 2001 - FY 2009)

TAX SOURCE	2001	2002	2003	2004	2005	2006	2007	2008	2009
PROPERTY TAX									
Motor Carrier	18,522	18,068	15,729	19,498	20,454	22,056	25,812	29,032	29,257
INCOME AND PRIVILEGE TAXES									
Individual	1,969,513	1,821,047	1,742,575	1,881,779	2,042,284	2,359,759	2,694,456	2,906,941	2,692,436
Corporation	252,354	130,965	142,086	177,580	261,401	383,954	475,031	467,136	276,711
Financial Institutions	25,907	28,919	32,120	26,435	23,063	32,058	32,126	34,160	27,192
Domestic Insurance Companies									
ESTATE TAX	9,364	9,518	10,041	9,165	9,927	9,918	10,684	10,562	10,765
SALES, USE, AND EXCISE TAXES									
Retail Sales	1,456,468	1,486,565	1,584,442	1,612,249	1,647,751	1,735,903	1,766,542	1,715,826	1,693,944
Compensating Use	251,706	248,021	240,234	225,525	255,752	280,227	295,945	257,477	246,226
Cigarette	126,038	124,116	129,250	119,789	118,979	117,899	115,282	112,705	107,216
Tobacco Products	4,092	4,302	4,510	4,797	5,039	5,093	5,305	5,548	5,728
Cereal Malt Beverages	2,489	2,380	2,273	2,165	2,077	2,090	2,091	2,228	2,089
Liquor Gallonage	14,490	14,632	14,802	15,843	15,736	16,676	17,053	17,579	18,215
Liquor Enforcement	35,351	37,424	38,833	40,256	41,904	44,234	47,138	49,983	53,794
Private Clubs	6,238	6,615	6,847	7,154	7,444	8,009	8,567	8,903	9,141
Corporate Franchise	12,635	13,823	14,698	17,148	21,942	21,850	22,313	25,450	22,756
Severance	102,537	56,681	73,775	85,639	104,390	134,433	117,025	149,172	125,249
GROSS RECEIPTS TAXES									
Insurance Premiums	76,271	84,950	94,455	106,864	106,828	112,207	113,805	117,588	119,590
Miscellaneous	1,047	1,073	1,099	1,089	1,065	1,271	1,364	1,299	1,794
TOTAL	4,269,583	3,996,812	4,141,984	4,371,871	4,716,205	5,323,329	5,794,747	5,907,443	5,408,315
KANSAS PERSONAL INCOME	74,569,739	77,563,762	78,606,098	81,116,278	84,642,115	88,105,888	95,159,936	101,444,002	106,420,552
Eff. Adj. Tot. Tax Rate	5.73%	5.15%	5.27%	5.39%	5.57%	6.04%	6.09%	5.82%	5.08%
Eff. Adj. Ind. Inc. Tax Rate	2.64%	2.35%	2.22%	2.32%	2.41%	2.68%	2.83%	2.87%	2.53%
Eff. Adj. Corp. Inc. Tax Rate	0.34%	0.17%	0.18%	0.22%	0.31%	0.44%	0.50%	0.46%	0.26%
Eff. Adj. Ret. Sales Tax Rate	1.95%	1.92%	2.02%	1.99%	1.95%	1.97%	1.86%	1.69%	1.59%
Eff. Adj. Comp. Use Tax Rate	0.34%	0.32%	0.31%	0.28%	0.30%	0.32%	0.31%	0.25%	0.23%
Eff. Adj. Cigarette Tax Rate	0.17%	0.16%	0.16%	0.15%	0.14%	0.13%	0.12%	0.11%	0.10%

Table 2:
Average Annual Rates of Change for Adjusted General Fund Tax Receipts

Tax Source	<u>FY 1992-FY 2009</u>		<u>FY 1998-FY 2009</u>		<u>FY 2003-FY 2009</u>		<u>FY 2005-FY 2009</u>	
	2-Point	Trend	2-Point	Trend	2-Point	Trend	2-Point	Trend
Property Tax								
Motor Carrier	10.82%	5.89%	6.99%	5.45%	14.33%	10.31%	10.76%	10.40%
Income and Privilege Taxes								
Individual	9.66%	5.73%	5.59%	4.58%	9.08%	8.69%	7.96%	7.74%
Corporation	1.92%	2.16%	-0.66%	1.96%	15.79%	13.93%	1.46%	3.29%
Financial Institutions	-1.37%	-2.98%	-1.21%	0.14%	-2.56%	1.68%	4.48%	3.81%
Estate Tax	4.28%	3.22%	2.03%	1.76%	1.20%	2.47%	2.11%	2.37%
Sales, Use, and Excise Taxes								
Retail Sales	4.59%	3.41%	2.18%	2.20%	1.15%	1.28%	0.70%	0.44%
Compensating Use	5.32%	4.08%	2.12%	2.16%	0.42%	1.32%	-0.93%	-1.61%
Cigarette	-1.32%	-1.36%	-1.85%	-1.78%	-2.84%	-2.34%	-2.47%	-2.50%
Tobacco Products	10.45%	6.00%	6.84%	5.11%	4.50%	3.75%	3.42%	3.54%
Cereal Malt Beverages	-1.70%	-1.93%	-1.30%	-1.63%	-1.35%	-0.70%	0.14%	1.30%
Liquor Gallonage	2.75%	2.33%	3.45%	2.76%	3.84%	3.14%	3.94%	3.29%
Liquor Enforcement	7.81%	5.01%	8.04%	5.61%	6.42%	5.44%	7.09%	6.20%
Private Clubs	7.66%	4.95%	6.96%	5.30%	5.58%	5.11%	5.70%	5.16%
Corporate Franchise	11.73%	7.10%	8.96%	7.59%	9.14%	7.56%	0.93%	3.41%
Severance	5.13%	4.29%	10.27%	10.46%	11.63%	10.32%	5.00%	4.81%
Gross Receipts Taxes								
Insurance Premiums	6.72%	4.68%	8.08%	6.00%	4.44%	3.18%	2.99%	2.64%
Miscellaneous	12.17%	4.57%	9.27%	4.61%	10.54%	7.04%	17.10%	8.66%
Total	6.44%	4.49%	3.70%	3.60%	5.10%	5.31%	3.67%	3.80%
Kansas Personal Income	7.57%	4.76%	6.18%	4.56%	5.90%	5.18%	6.43%	6.20%

Table 3:
Elasticities for Adjusted General Fund Tax Receipts

Tax Source	<u>FY 1992-FY 2009</u>		<u>FY 1998-FY 2009</u>		<u>FY 2003-FY 2009</u>		<u>FY 2005-FY 2009</u>	
	Arc	Point	Arc	Point	Arc	Point	Arc	Point
Property Tax								
Motor Carrier	1.22	1.24	1.10	1.25	2.00	1.90	1.55	1.70
Income and Privilege Taxes								
Individual	1.15	1.22	0.93	1.03	1.42	1.55	1.20	1.29
Corporation	0.36	0.43	-0.15	0.36	2.14	2.36	0.25	0.58
Financial Institutions	-0.34	-0.64	-0.28	0.05	-0.55	0.38	0.72	0.62
Estate Tax	0.68	0.69	0.40	0.41	0.23	0.46	0.36	0.39
Sales, Use, and Excise Taxes								
Retail Sales	0.72	0.67	0.42	0.43	0.22	0.22	0.12	0.07
Compensating Use	0.79	0.85	0.41	0.47	0.08	0.20	-0.17	-0.28
Cigarette	-0.32	-0.29	-0.45	-0.41	-0.62	-0.43	-0.46	-0.41
Tobacco Products	1.20	1.21	1.08	1.04	0.79	0.72	0.56	0.57
Cereal Malt Beverages	-0.43	-0.39	-0.30	-0.31	-0.28	-0.10	0.03	0.21
Liquor Gallonage	0.48	0.48	0.63	0.62	0.69	0.58	0.64	0.53
Liquor Enforcement	1.02	1.02	1.21	1.20	1.07	1.02	1.09	1.00
Private Clubs	1.01	1.01	1.09	1.10	0.95	0.95	0.90	0.85
Corporate Franchise	1.28	1.43	1.30	1.48	1.43	1.34	0.16	0.56
Severance	0.78	0.86	1.42	2.33	1.72	1.80	0.80	0.77
Gross Receipts Taxes								
Insurance Premiums	0.93	0.88	1.21	1.14	0.78	0.58	0.49	0.42
Miscellaneous	1.30	0.96	1.33	1.03	1.60	1.31	2.24	1.37
Total	0.90	0.95	0.67	0.77	0.88	0.94	0.60	0.64

Table 4A:
Composition of Adjusted General Fund Tax Receipts (\$ Thousands, FY 1992 - FY 2000)

TAX SOURCE	1992	1993	1994	1995	1996	1997	1998	1999	2000
Property Tax									
Motor Carrier	0.40%	0.37%	0.36%	0.40%	0.45%	0.47%	0.43%	0.41%	0.40%
Income and Privilege Taxes									
Individual	39.46%	40.05%	38.98%	39.18%	41.21%	41.79%	43.36%	44.05%	44.96%
Corporation	8.08%	7.03%	7.90%	8.14%	7.36%	8.07%	7.76%	6.20%	7.04%
Financial Institutions	1.37%	1.86%	1.99%	1.40%	1.52%	1.07%	0.82%	0.93%	0.55%
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estate Tax	0.24%	0.25%	0.23%	0.22%	0.22%	0.23%	0.23%	0.22%	0.22%
Sales, Use, and Excise Taxes									
Retail Sales	36.86%	37.22%	37.22%	37.66%	36.92%	35.75%	35.52%	35.33%	35.91%
Compensating Use	5.01%	4.70%	4.95%	5.29%	5.05%	5.15%	5.19%	5.37%	5.46%
Cigarette	5.35%	4.81%	4.52%	4.41%	4.17%	3.93%	3.50%	3.31%	3.07%
Tobacco Products	0.08%	0.08%	0.09%	0.09%	0.09%	0.09%	0.09%	0.08%	0.09%
Cereal Malt Beverages	0.11%	0.10%	0.09%	0.09%	0.08%	0.07%	0.06%	0.06%	0.06%
Liquor Gallonage	0.48%	0.45%	0.42%	0.41%	0.38%	0.37%	0.34%	0.35%	0.35%
Liquor Enforcement	0.89%	0.88%	0.83%	0.81%	0.81%	0.78%	0.74%	0.77%	0.81%
Private Clubs	0.15%	0.16%	0.15%	0.15%	0.15%	0.14%	0.13%	0.14%	0.14%
Corporate Franchise	0.29%	0.29%	0.29%	0.29%	0.30%	0.31%	0.30%	0.30%	0.30%
Severance	2.59%	2.76%	2.65%	2.15%	1.84%	2.04%	1.53%	1.05%	1.31%
Gross Receipts Taxes									
Insurance Premiums	2.16%	2.09%	2.09%	2.02%	1.92%	1.81%	1.65%	1.65%	1.66%
Miscellaneous	0.02%	0.02%	0.03%	0.03%	0.03%	0.03%	0.02%	0.02%	0.02%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Individual Income Taxes	39.46%	40.05%	38.98%	39.18%	41.21%	41.79%	43.36%	44.05%	44.96%
Corporation Income Taxes	8.08%	7.03%	7.90%	8.14%	7.36%	8.07%	7.76%	6.20%	7.04%
Retail Sales Taxes	36.86%	37.22%	37.22%	37.66%	36.92%	35.75%	35.52%	35.33%	35.91%
Compensating Use Taxes	5.01%	4.70%	4.95%	5.29%	5.05%	5.15%	5.19%	5.37%	5.46%
Other Taxes	10.60%	11.01%	10.95%	9.73%	9.46%	9.23%	8.17%	9.04%	6.63%

Table 4B:
Composition of Adjusted General Fund Tax Receipts (\$ Thousands, FY 2001 - FY 2009)

TAX SOURCE	2001	2002	2003	2004	2005	2006	2007	2008	2009
Property Tax									
Motor Carrier	0.43%	0.45%	0.38%	0.45%	0.43%	0.41%	0.45%	0.49%	0.54%
Income and Privilege Taxes									
Individual	46.13%	45.56%	42.07%	43.04%	43.30%	44.33%	46.50%	49.21%	49.78%
Corporation	5.91%	3.28%	3.43%	4.06%	5.54%	7.21%	8.20%	7.91%	5.12%
Financial Institutions	0.61%	0.72%	0.78%	0.60%	0.49%	0.60%	0.55%	0.58%	0.50%
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estate Tax	0.22%	0.24%	0.24%	0.21%	0.21%	0.19%	0.18%	0.18%	0.20%
Sales, Use, and Excise Taxes									
Retail Sales	34.11%	37.19%	38.25%	36.88%	34.94%	32.61%	30.49%	29.05%	31.32%
Compensating Use	5.90%	6.21%	5.80%	5.16%	5.42%	5.26%	5.11%	4.36%	4.55%
Cigarette	2.95%	3.11%	3.12%	2.74%	2.52%	2.21%	1.99%	1.91%	1.98%
Tobacco Products	0.10%	0.11%	0.11%	0.11%	0.11%	0.10%	0.09%	0.09%	0.11%
Cereal Malt Beverages	0.06%	0.06%	0.05%	0.05%	0.04%	0.04%	0.04%	0.04%	0.04%
Liquor Gallonage	0.34%	0.37%	0.36%	0.36%	0.33%	0.31%	0.29%	0.30%	0.34%
Liquor Enforcement	0.83%	0.94%	0.94%	0.92%	0.89%	0.83%	0.81%	0.85%	0.99%
Private Clubs	0.15%	0.17%	0.17%	0.16%	0.16%	0.15%	0.15%	0.15%	0.17%
Corporate Franchise	0.30%	0.35%	0.35%	0.39%	0.47%	0.41%	0.39%	0.43%	0.42%
Severance	2.40%	1.42%	1.78%	1.96%	2.21%	2.53%	2.02%	2.53%	2.32%
Gross Receipts Taxes									
Insurance Premiums	1.79%	2.13%	2.28%	2.44%	2.27%	2.11%	1.96%	1.99%	2.21%
Miscellaneous	0.02%	0.03%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	0.03%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Individual Income Taxes	46.13%	45.56%	42.07%	43.04%	43.30%	44.33%	46.50%	49.21%	49.78%
Corporation Income Taxes	5.91%	3.28%	3.43%	4.06%	5.54%	7.21%	8.20%	7.91%	5.12%
Retail Sales Taxes	34.11%	37.19%	38.25%	36.88%	34.94%	32.61%	30.49%	29.05%	31.32%
Compensating Use Taxes	5.90%	6.21%	5.80%	5.16%	5.42%	5.26%	5.11%	4.36%	4.55%
Other Taxes	7.95%	7.76%	10.45%	10.86%	10.79%	10.59%	9.71%	9.48%	9.23%

Chart 1: Adjusted Motor Carrier Taxes

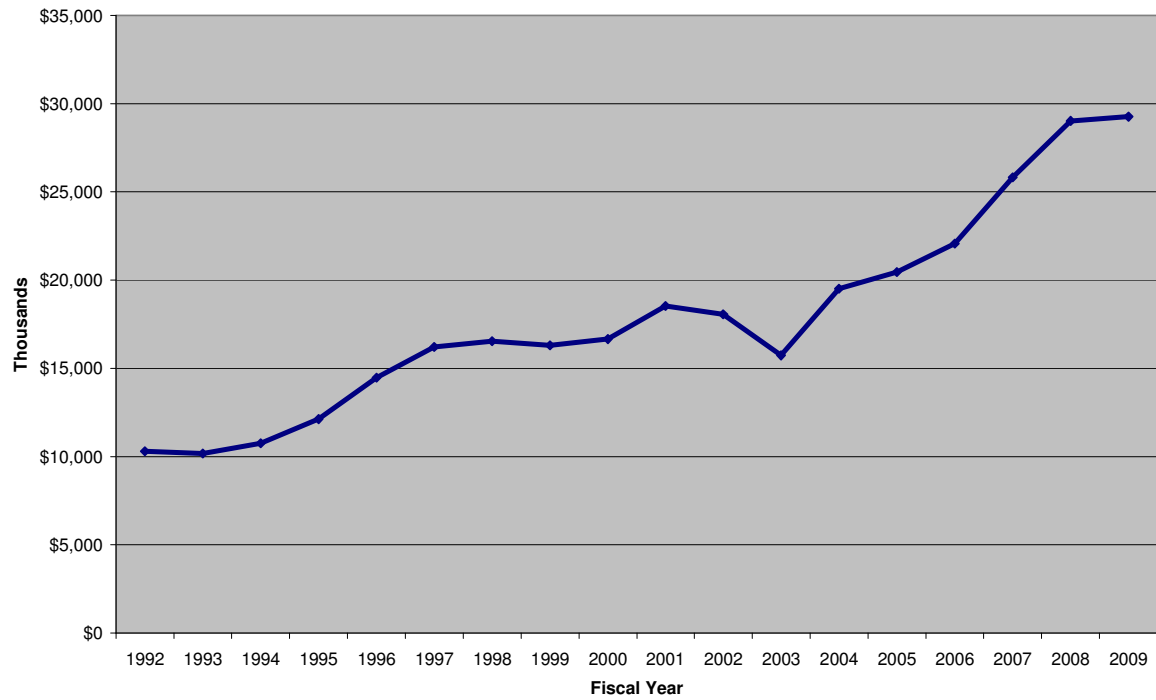


Chart 2: Adjusted Individual Income Taxes

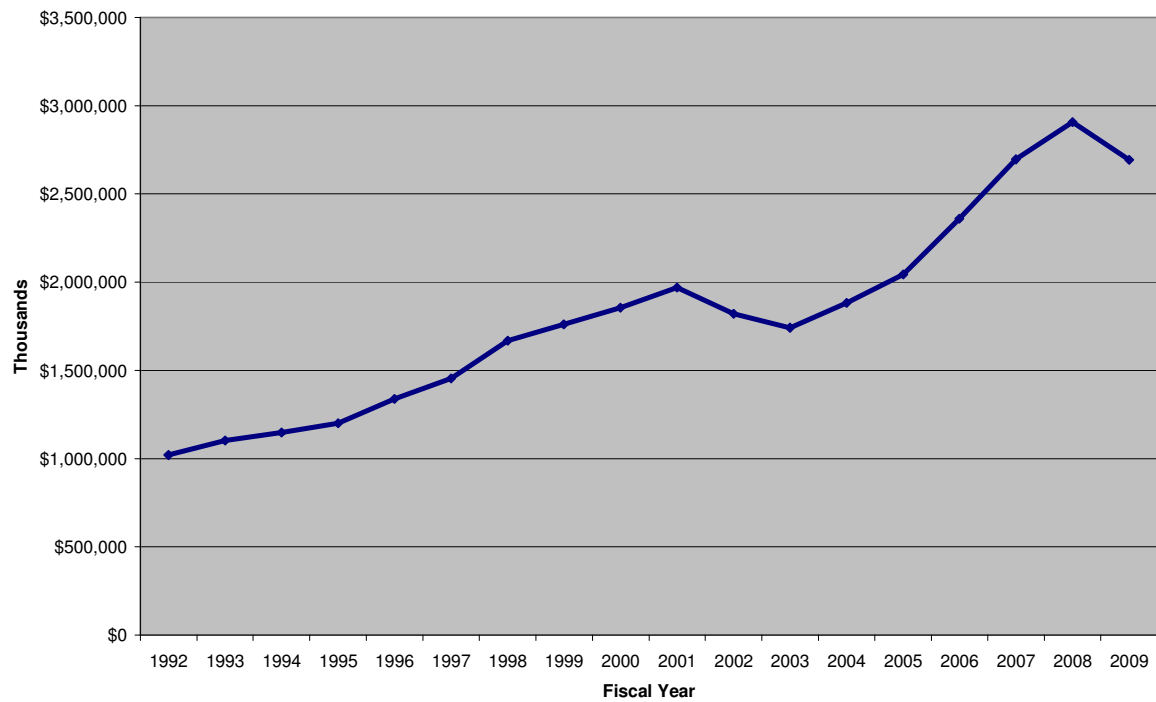


Chart 3: Adjusted Corporation Income Taxes

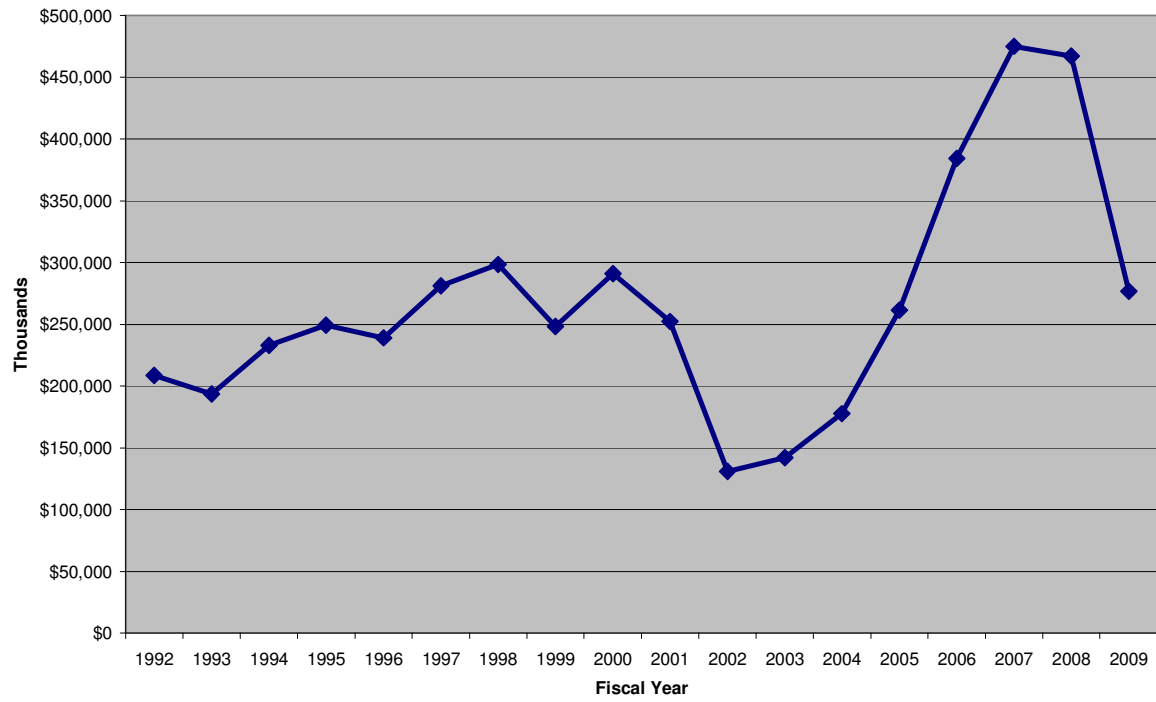


Chart 4: Adjusted Financial Institutions Taxes

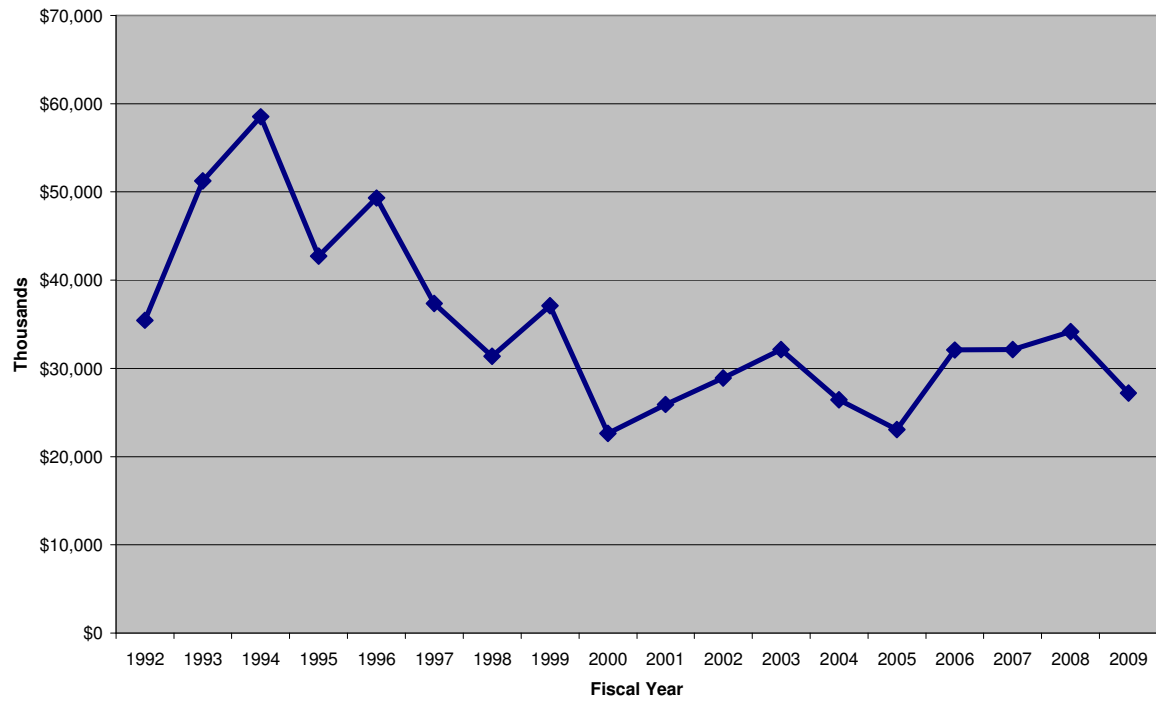


Chart 6: Adjusted Estate Taxes

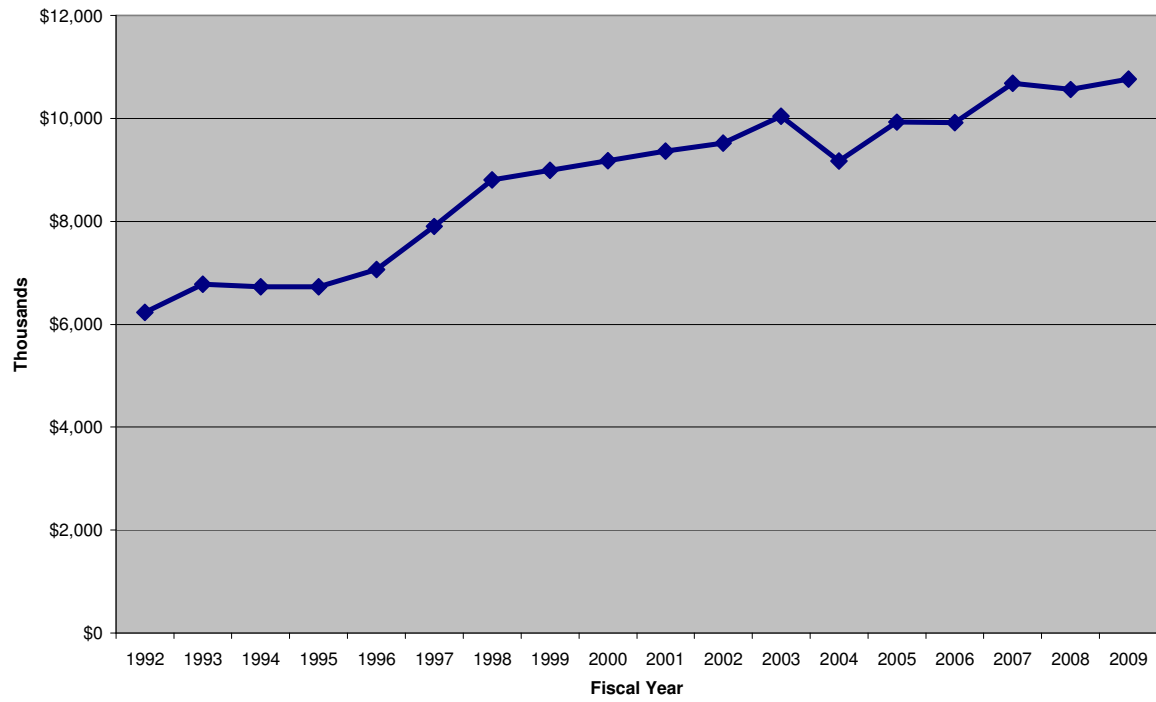


Chart 7: Adjusted Retail Sales Taxes

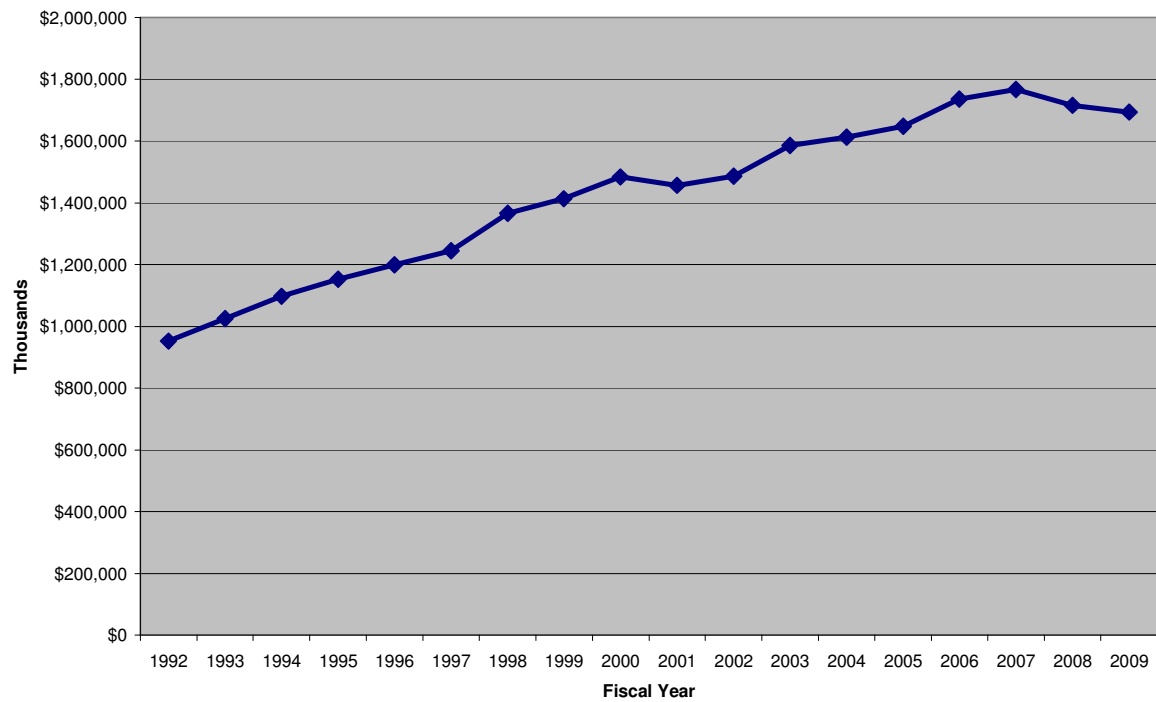


Chart 8: Adjusted Compensating Use Taxes

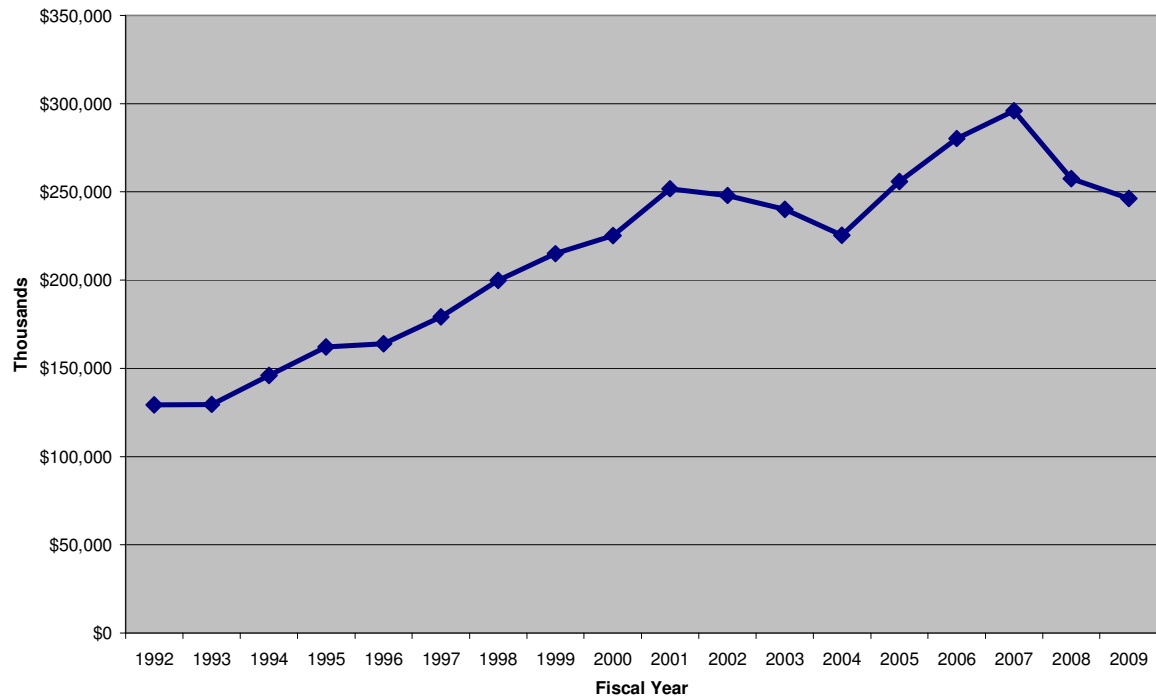


Chart 9: Adjusted Cigarette Taxes

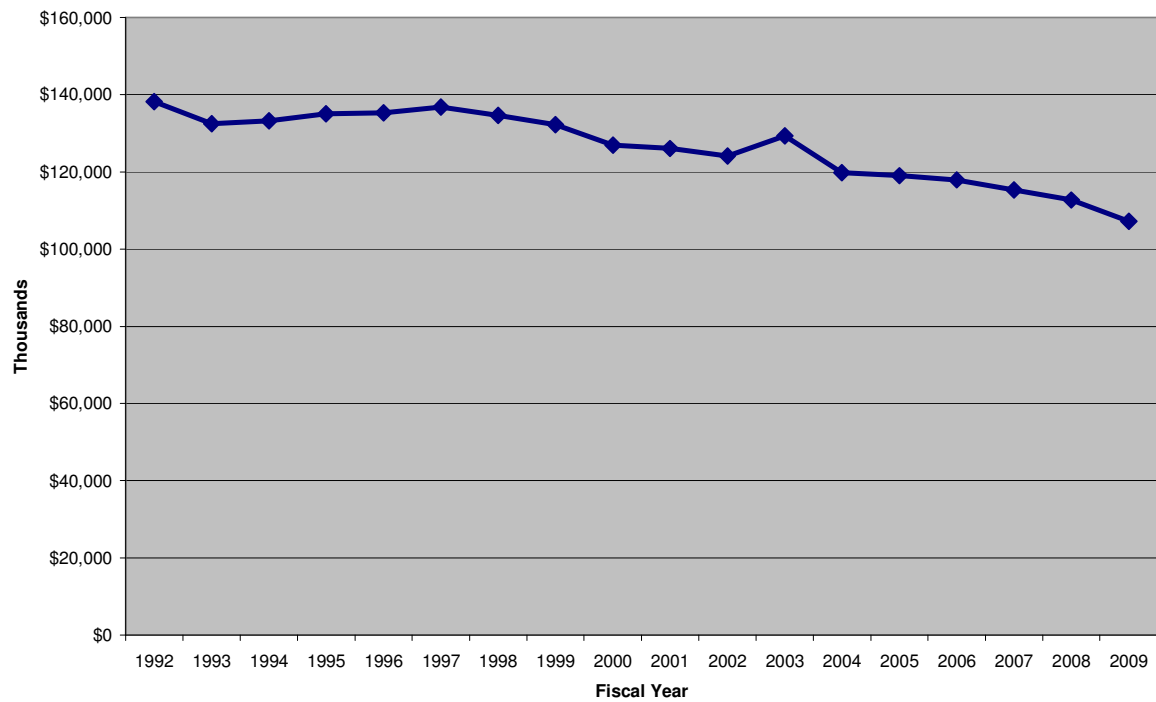


Chart 10: Adjusted Tobacco Product Taxes

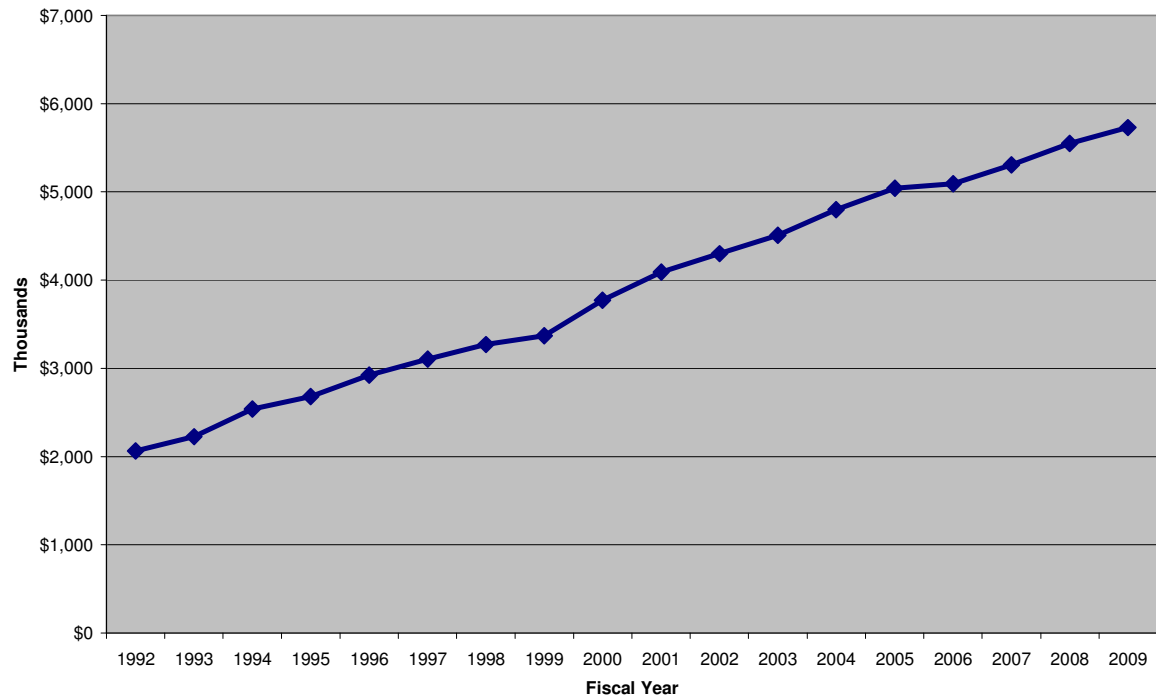


Chart 11: Adjusted Cereal Malt Beverage Taxes

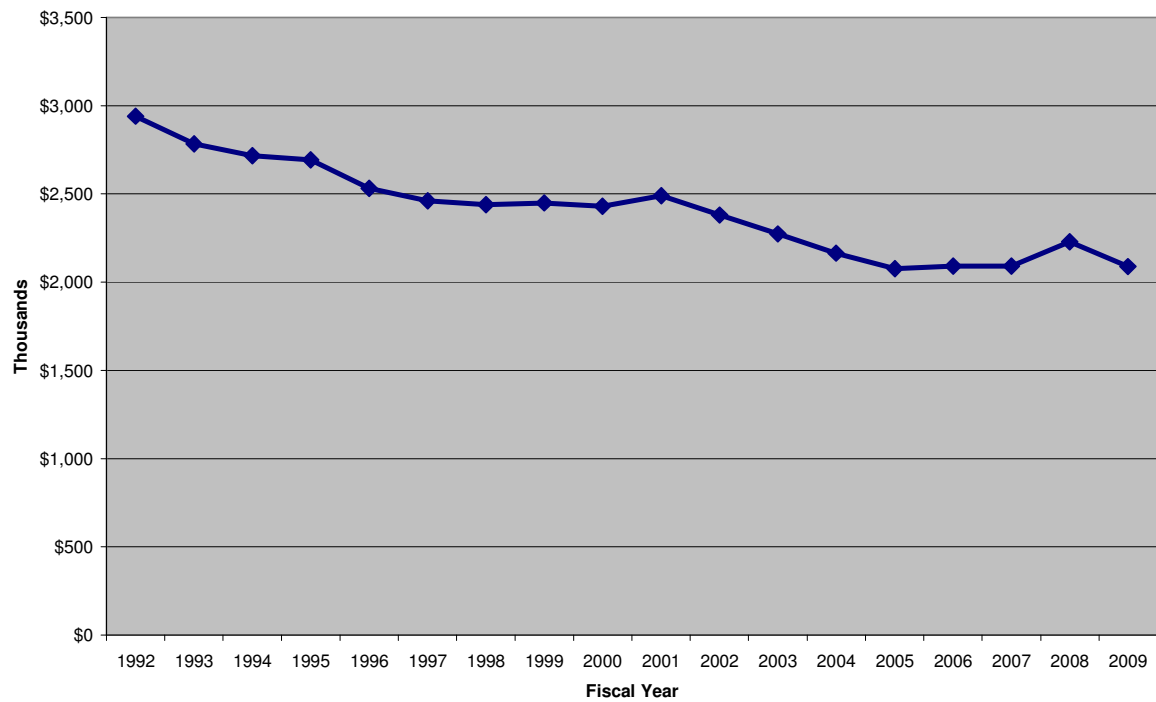


Chart 12: Adjusted Liquor Gallonage Taxes

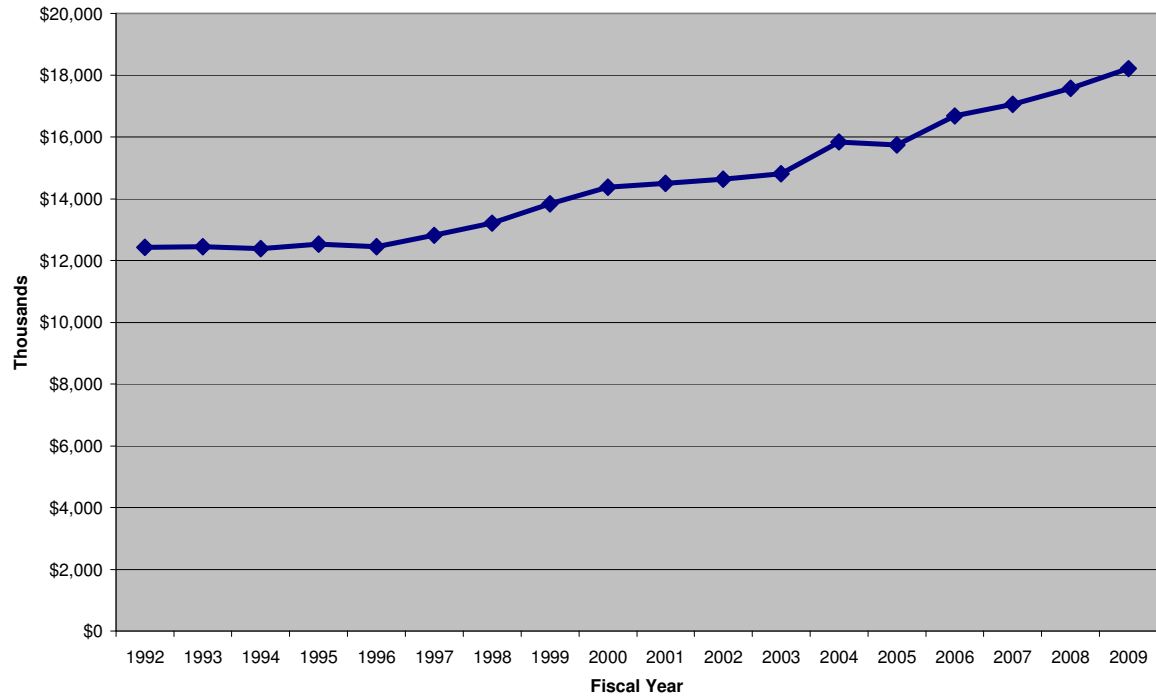


Chart 13: Adjusted Liquor Enforcement Taxes

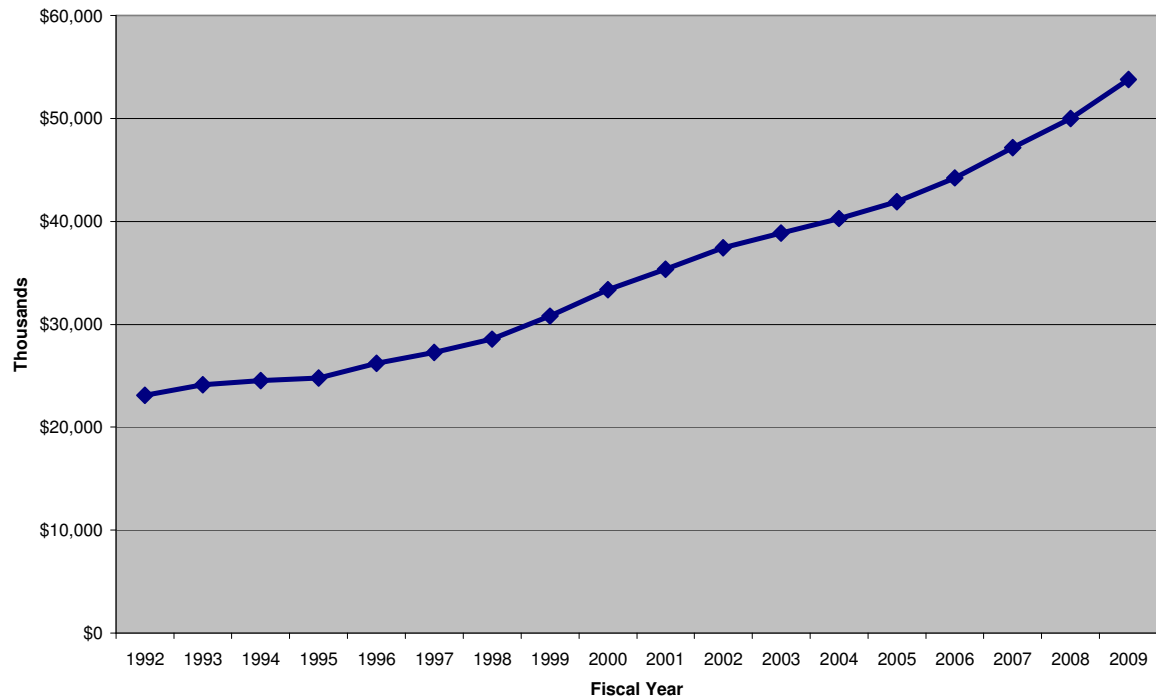


Chart 14: Adjusted Private Club Taxes

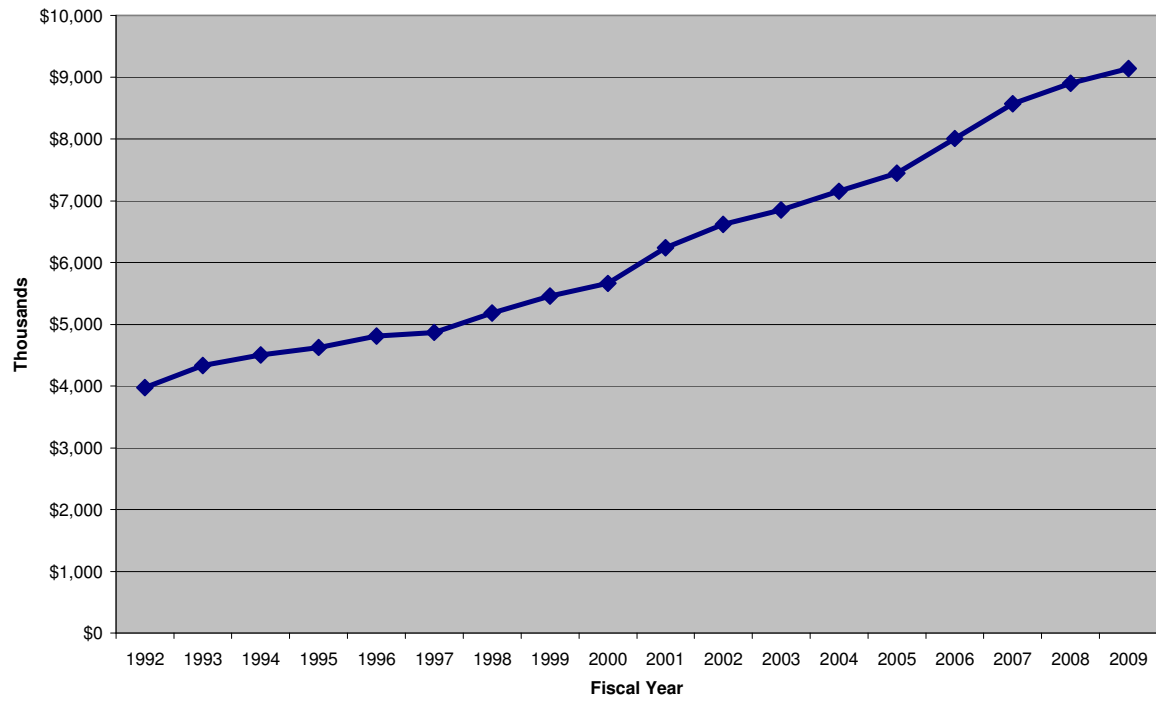


Chart 15: Adjusted Corporate Franchise Taxes

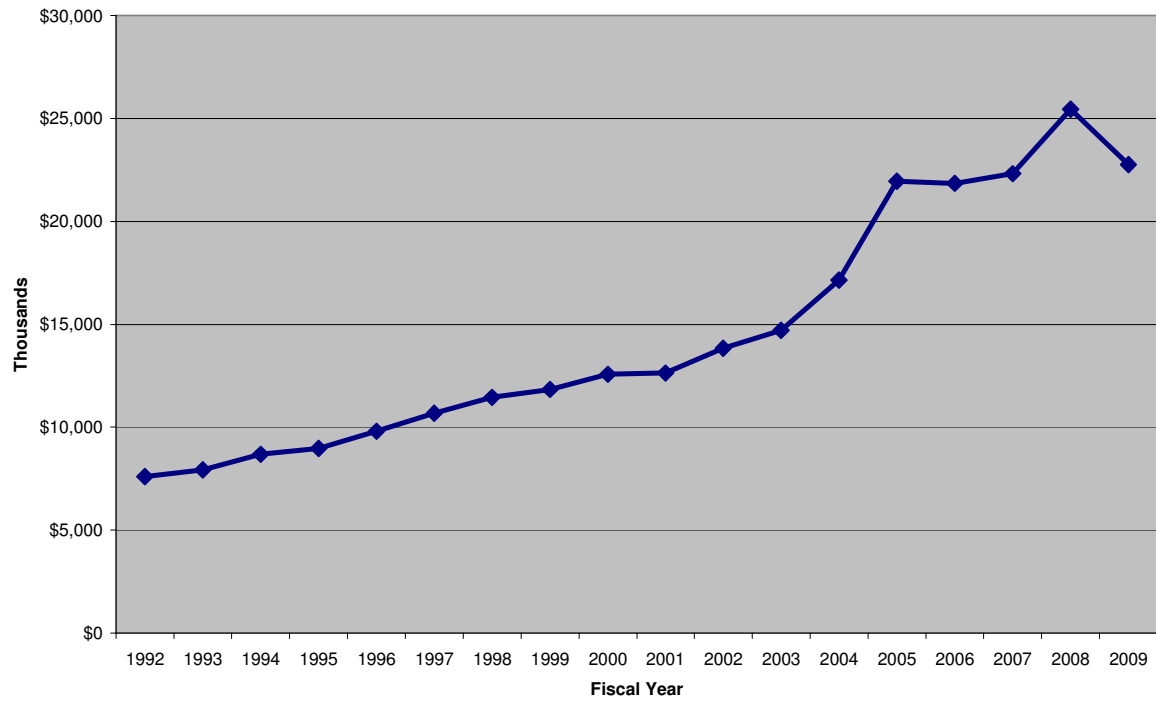


Chart 16: Adjusted Severance Taxes

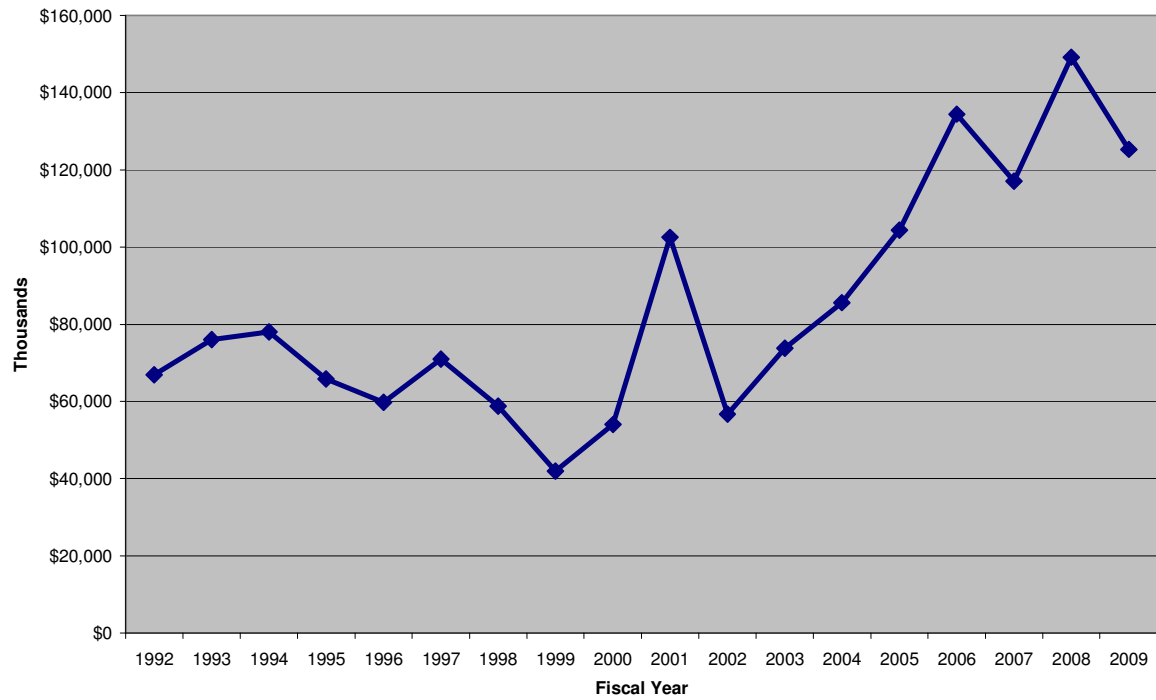


Chart 17: Adjusted Insurance Premium Taxes

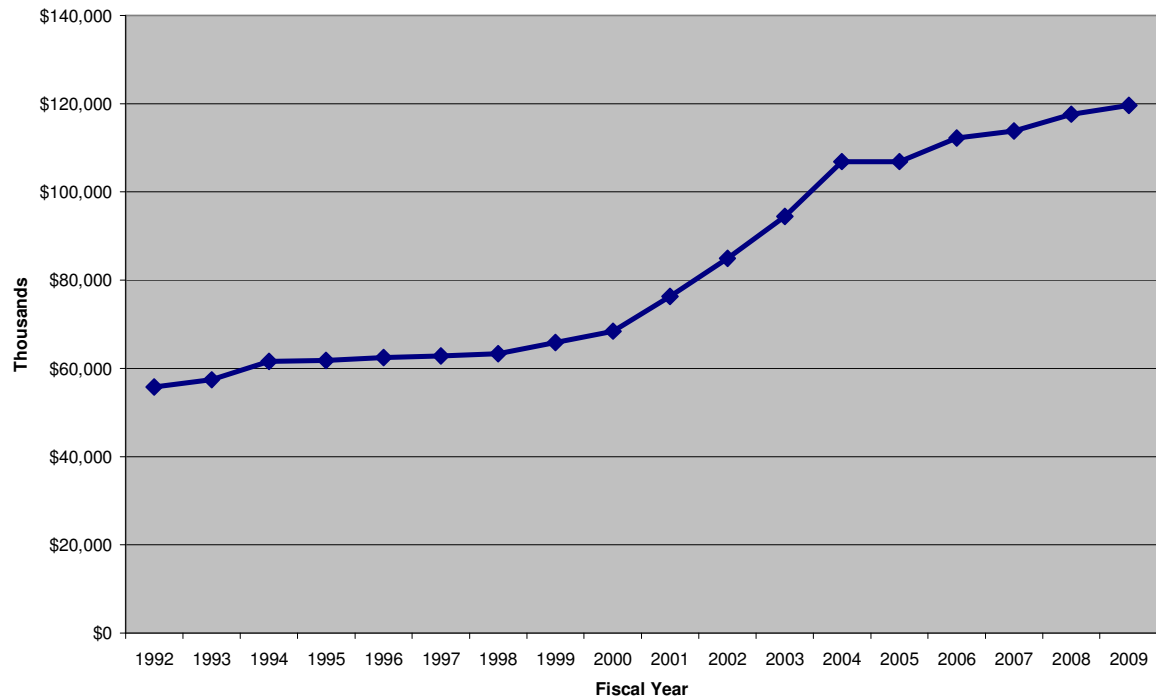


Chart 18: Adjusted Miscellaneous Taxes

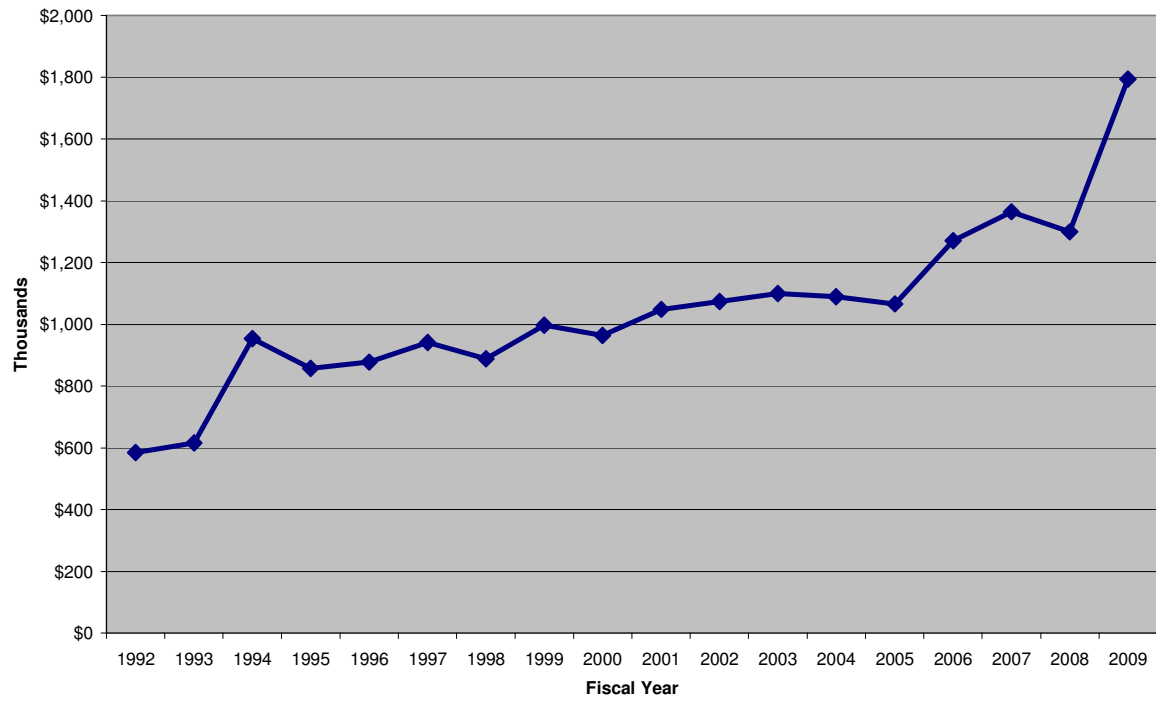


Chart 19: Adjusted Total Taxes

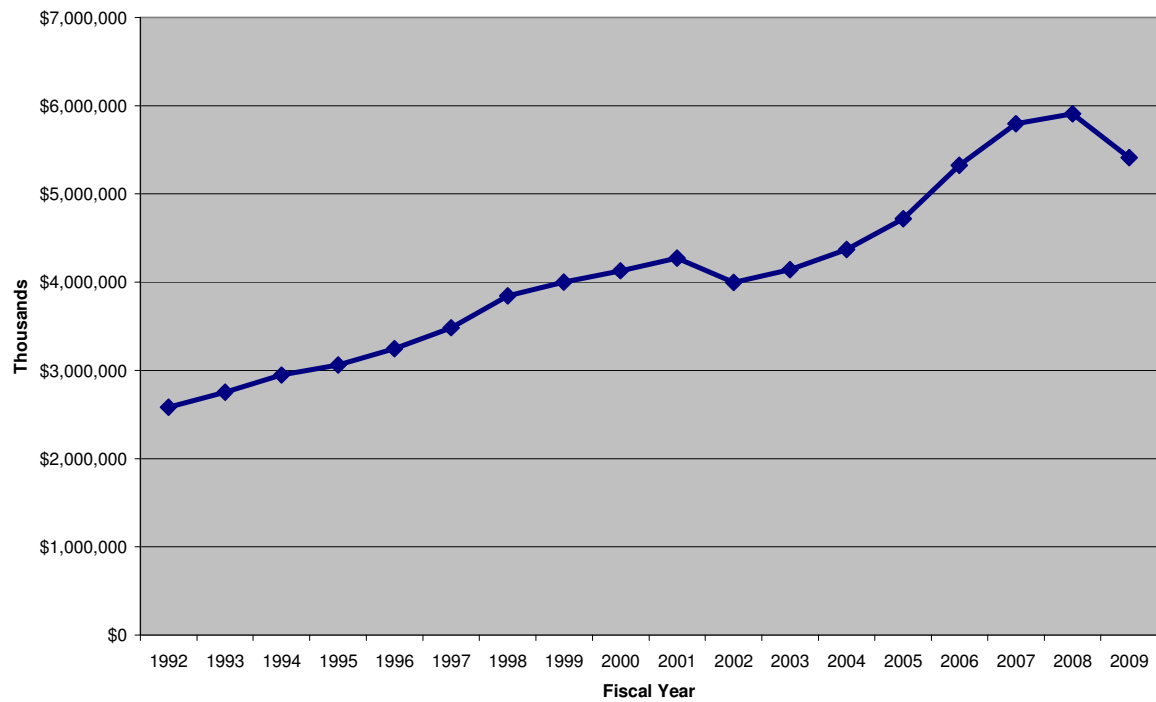


Chart 20: Kansas Personal Income

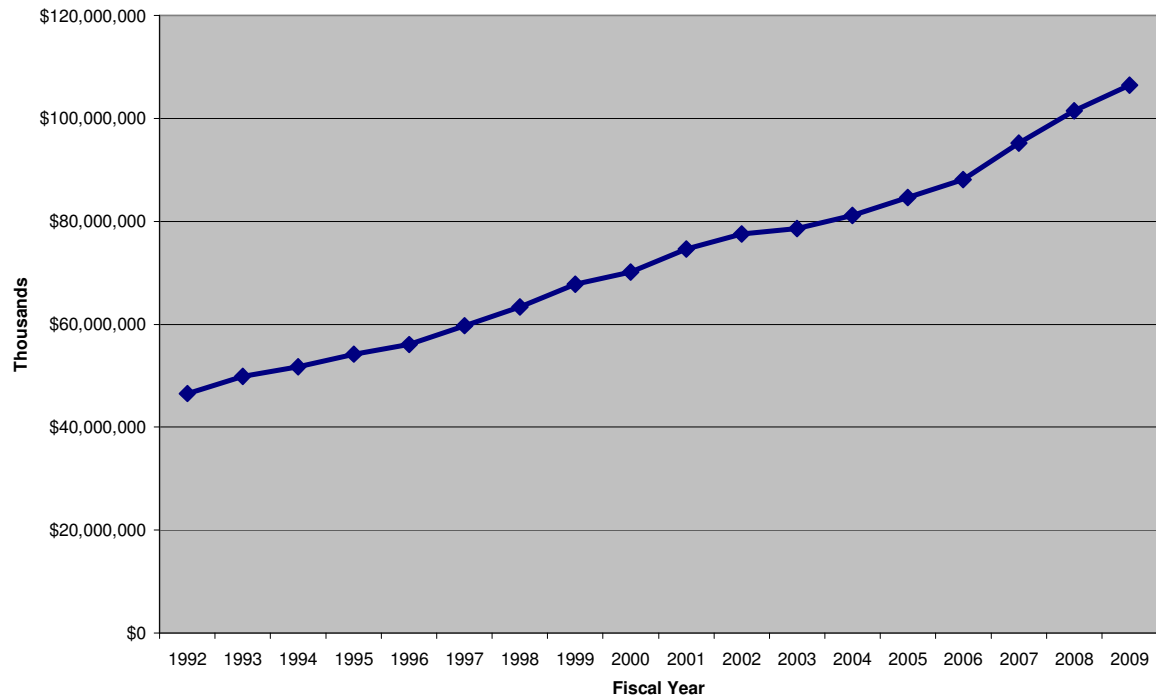


Chart 21: Composition of Adjusted General Fund Tax Receipts

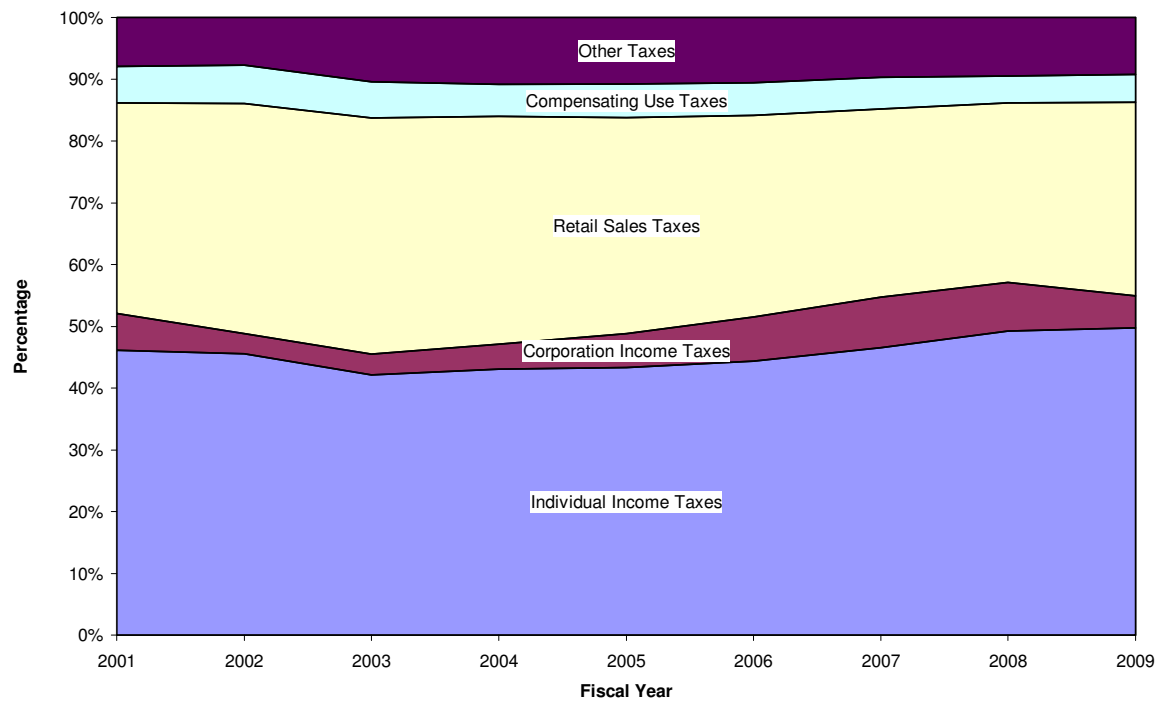


Chart 22: Effective Adjusted Total Tax Rate

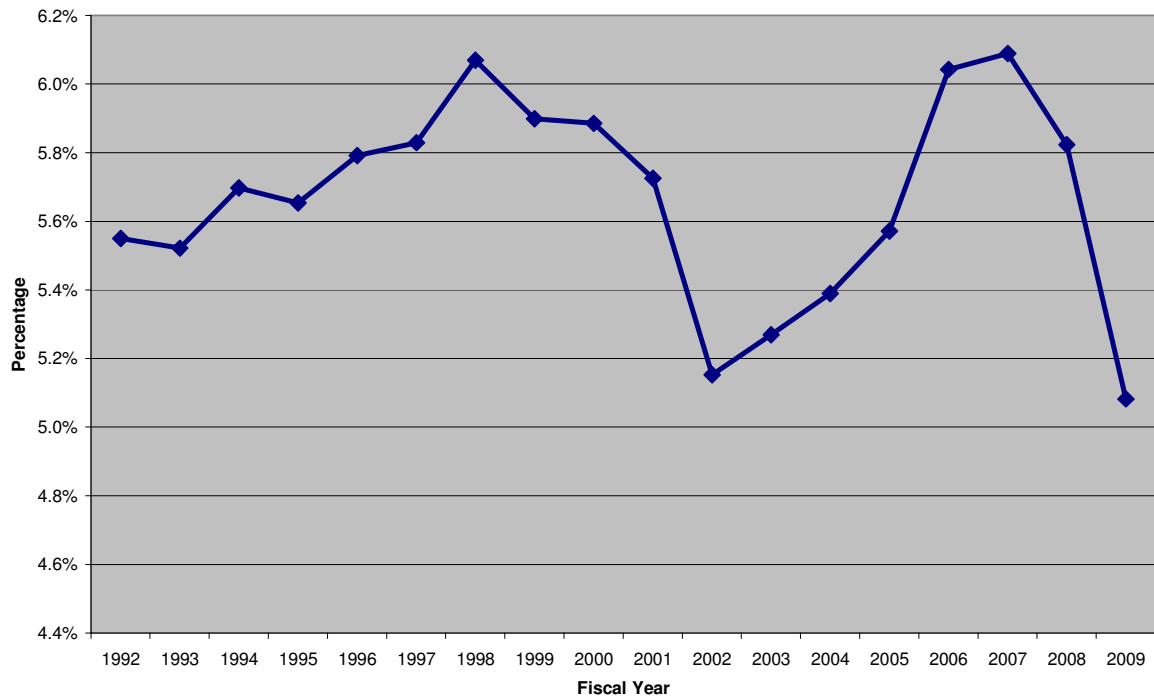


Chart 23: Effective Adjusted Individual Income Tax Rate

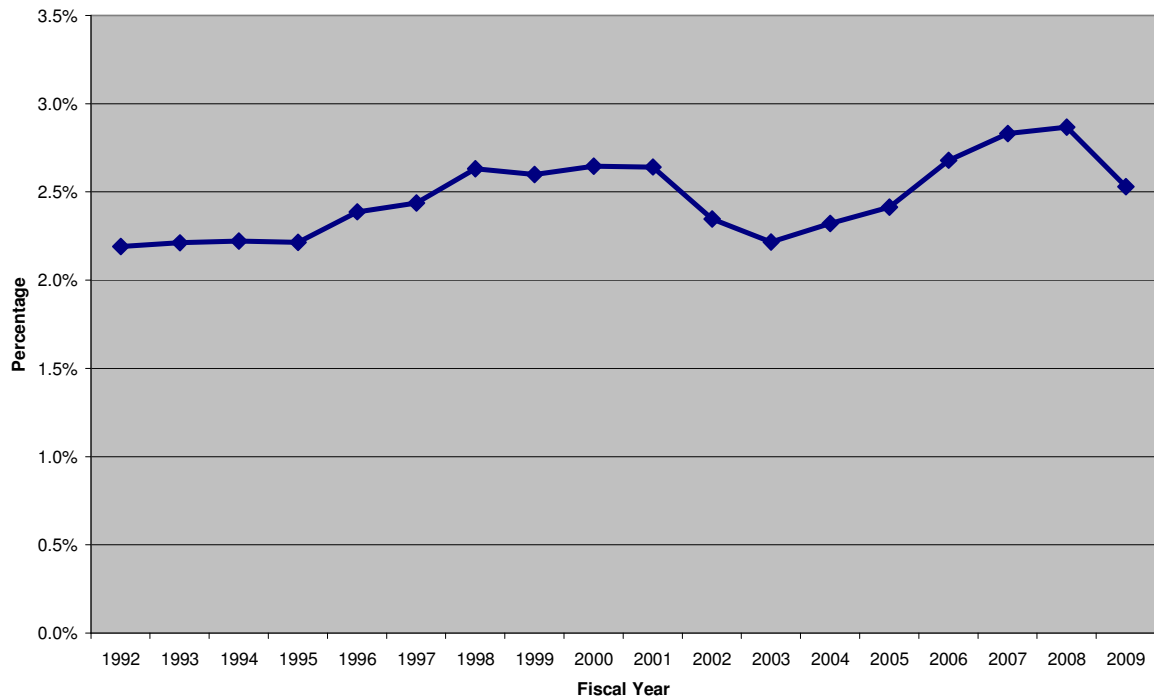


Chart 24: Effective Adjusted Corporation Income Tax Rate

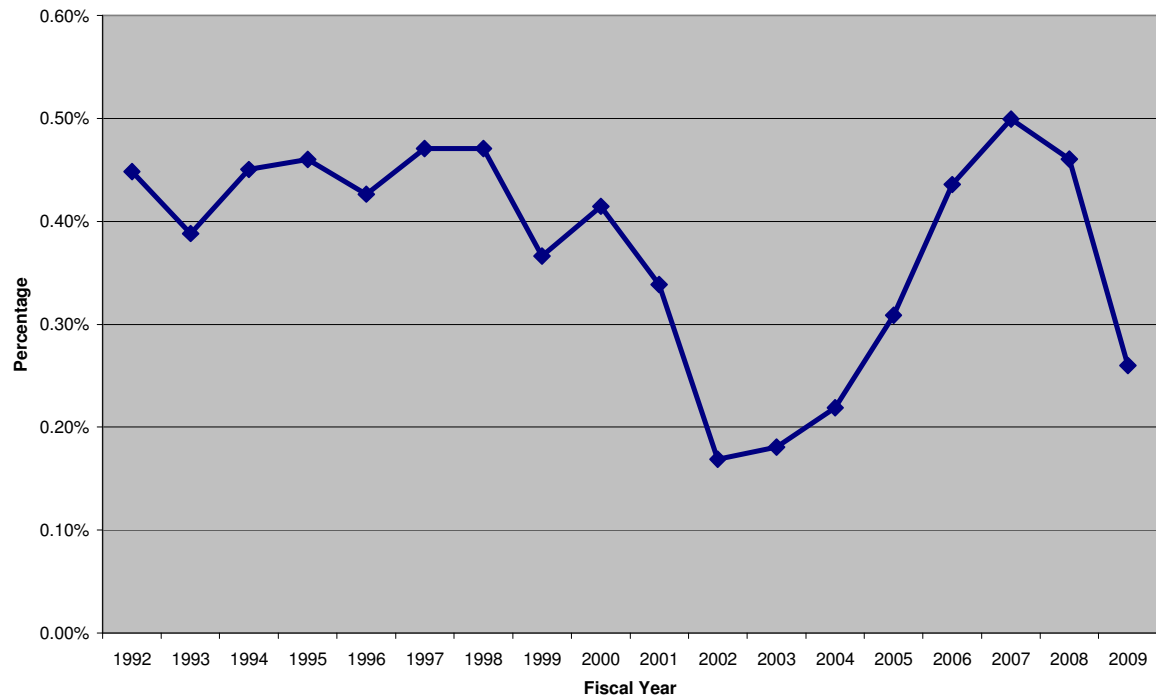


Chart 25: Effective Adjusted Retail Sales Tax Rate

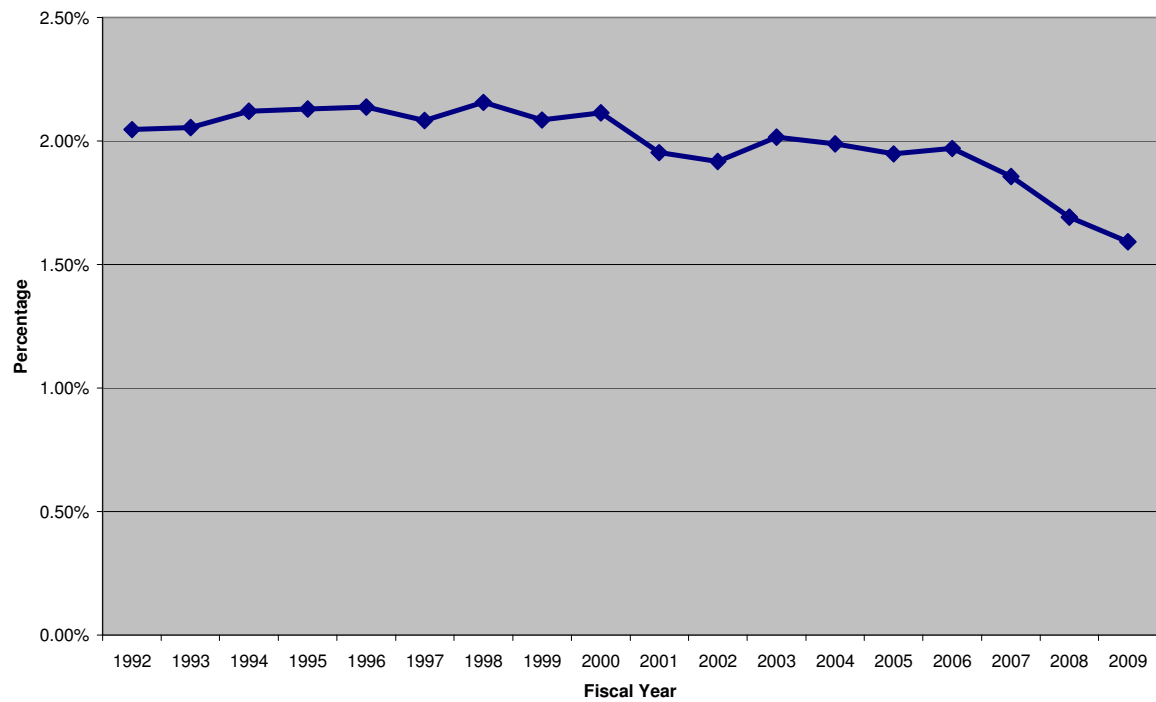


Chart 26: Effective Adjusted Compensating Use Tax Rate

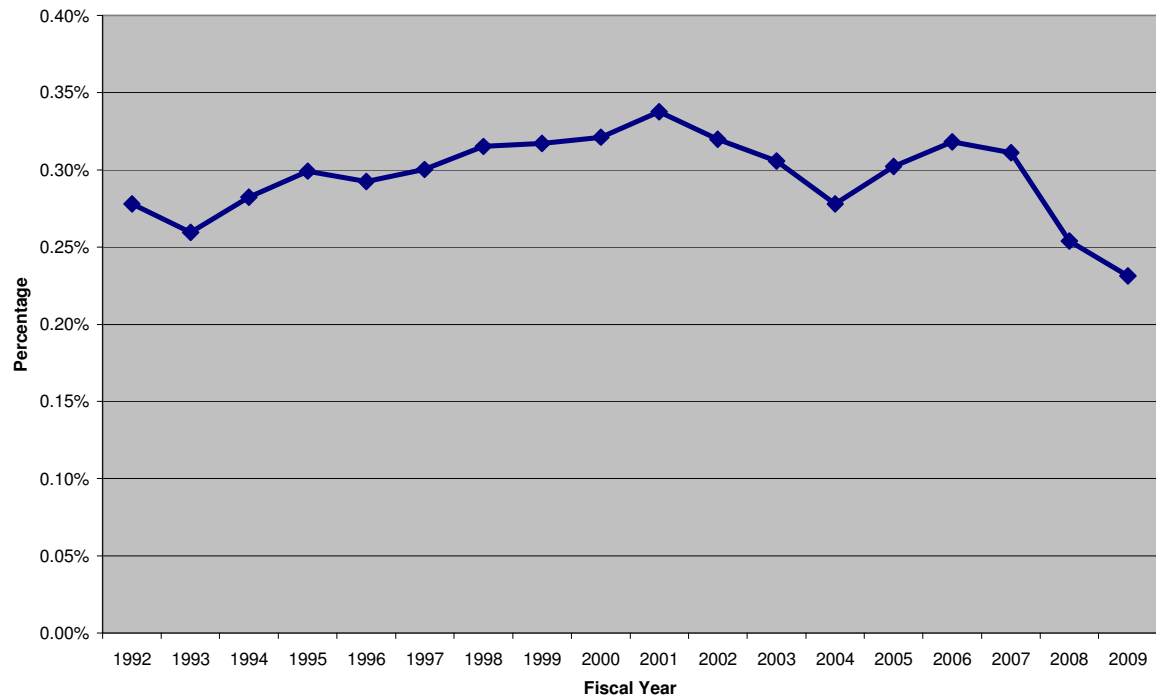


Chart 27: Effective Adjusted Cigarette Tax Rate

